

Serbs and Croats Plot to Divide Bosnia, Ignoring Muslims

By Blaine Harden
Washington Post Service

BELGRADE — Serb and Croat leaders from Bosnia-Herzegovina, in a secret meeting that excluded the Muslims who are Bosnia's largest ethnic group, have agreed to stop fighting each other and peacefully carve up the republic.

The plan, which emerged from a closed meeting on Wednesday night in the Austrian city of Graz, makes no mention of the Slavic Muslims, who make up 44 percent of Bosnia's population. No Muslims were invited to the meeting.

Muslims have lost vast areas of territory to Serbian irregulars and the Serb-dominated federal army during a monthlong offensive that has caused widespread destruction and death in Bosnia. Most of the dead, wounded and homeless in the war are Muslims. The offensive began immediately after the former Yugoslav republic was recognized in the West as an independent state.

Over the same time, ethnic Croat fighters have occupied and become the de facto rulers of a large chunk of western Herzegovina. These fighters are commanded and reinforced by Croatian Army officers and regulars who moved into Bosnia with heavy artillery and tanks.

As explained Thursday by Serb and Croat leaders, the Graz plan appears to deny Muslims political control over scores of villages and cities where they have been in the majority for centuries.

A map drawn by Serbs gives the Muslims, who now lead the Bosnian government, an island of territory inside the republic's current borders. The map marks the territory with the title "Little Pasha Alija," an apparent mocking reference to Bosnia's Muslim president, Alija Izetbegovic.

Muslim leaders expressed outrage at the agreement, which was heralded in the state-controlled media of Serbia and of Croatia.

"They can stuff it up their shirts," said the vice president of the Bosnian government, Ruzmir Mahmutcehajic.

The agreement, which was negotiated by ethnic leaders who take their orders from the Serbian president, Slobodan Milosevic, and his Croatian counterpart, Franjo Tudjman, seems to ignore the tripartite negotiations between Bosnia's Muslims, Serbs and Croats that have been going for months under the auspices of the European Community.

It also seems to mock United States and EC attempts to use diplomatic and economic threats to protect the sovereignty and territorial integrity of Bosnia. Washington and the Community have ruled out any armed military intervention to defend Bosnia's sovereignty.

Although the leaders of Serbian and Croatian have made public promises to respect the territory integrity of Bosnia, they have long been known to hold the view that substantial parts of Bosnia-Herzegovina belonged to them.

Mr. Milosevic said Thursday that no division of Bosnia would be proper without Muslim participation and consent. But the on-the-ground behavior of Serbian forces under his control, which have conquered 70 percent of Bosnia while laying waste to scores of Muslim towns, seems to belie the Serbian president's professions of interest in peaceful consultation.

Muslims acknowledged that they do not have the military power or the outside foreign backing to stop Serbia and Croatia from chopping up Bosnia.

Serbian forces currently are surrounding the Bosnian capital of Sarajevo and are holding its estimated 300,000 remaining residents under siege. The ethnically mixed city has been severely damaged by random Serbian shelling and more than 100 civilians have been killed. Muslim leaders there say they are running out of food and ammunition.

Undersecretary-General Mark Goulding, the UN official who has been visiting Bosnia this week to assess the feasibility of sending in a peacekeeping force,



A Serbian fighter taking a break in Prebilovci, Bosnia-Herzegovina. The village has been under fire from Croat-controlled villages.

was asked Thursday about the Serbian-Croatian agreement. He said it would "make a mockery" of Bosnia's sovereignty and its international recognition if it were not integrated into talks that included the Muslims.

The chief Serbian leader in Bosnia, Radovan Karadzic, made no attempt to conceal his conviction that Muslims have nothing to say about the division of Bosnia.

Explaining what he and the Croats from Bosnia has decided for the city of Mostar, where 34 percent of the permanent residents are Muslims, Mr. Karadzic made no reference to Muslim claims in the city.

"We will give the Croats four-fifths of Mostar and we will take a fifth," said Mr. Karadzic, a psychiatrist turned politician. He was driven to Belgrade Thursday in cars bearing the license plates of the Yugoslav Army.

The Milosevic regime and the

Likewise, the chief Croatian representative at the Graz meeting was Mate Baban, a radical Croatian nationalist who has been handpicked early this year by Mr. Tudjman's regime in Zagreb to take charge of the Croatian political party in Bosnia.

In most of the fighting thus far in Bosnia, the Muslims and Croats had been allies against Serbia. But Western diplomats here believe there are now sound tactical reasons for Croat radicals to abandon the beleaguered Muslims.

WORLD BRIEFS

10 Die as Peru Police Battle Inmates

LIMA (Reuters) — Imprisoned guerrillas on Wednesday used guns, bombs and acid in a daylong battle with the police inside a maximum-security jail. Ten people were killed and at least 36 injured in the violence. The clashes broke out when police tried to move some of the inmates to another prison.

One policeman was killed by a bomb and a second died from burns caused when Shining Path guerrillas dumped acid on him from a rooftop, the police said. The Interior Ministry said that the police found eight members of the guerrilla group dead inside Canto Grande prison after the battle.

Eleven policemen and at least 25 guerrillas were wounded in nearly 17 hours of fighting, the police said. The clash began when hundreds of policemen moved into the prison outside Lima early Wednesday to try to take some of the 250 women Shining Path inmates to another jail. Guerrillas in the women's cellblock reacted by attacking the police with dynamite and gunfire and dumping acid on them from rooftops. The prison houses about 600 Shining Path guerrillas.

Lebanese Unions to Suspend Strike

BEIRUT (Reuters) — Lebanese trade unions, which engineered riots that toppled the country's Syrian-backed government, said Thursday they would suspend a general strike but set a 10-day deadline for a new administration.

The strike, which had paralyzed most of Lebanon, would be lifted on Friday, the unions said. But they warned President Elias Hrawi that any delay in setting up a corruption-free government committed to economic recovery would bring renewed civil unrest.

Mr. Hrawi began the search for a prime minister to replace Omar Karami, who resigned Wednesday amid nationwide riots that Western diplomats said sent a clear warning to Damascus which, with 40,000 troops in the country, is the main power broker in Lebanon.

Philippine Rebels in Pledge on Vote

MANILA (AFP) — Rebel military forces that have mounted seven coup attempts against President Corason C. Aquino have pledged to respect the results of Monday's presidential election.

"We respect our people's desire to choose their leaders in a free, honest, credible and peaceful election," newspapers quoted a fugitive rebel leader, former Colonel Gregorio Honasan, as saying in a written statement.

One of Mr. Honasan's jailed colleagues, Brigadier General Edgardo Abenina, is standing for senator in Monday's election, while a second detained officer, Brigadier General Jose Comendador, is seeking a congressional seat. Both are facing court-martial for their alleged role in a 1989 coup attempt.

Troops Open Fire on Malawi Rioters

LUSAKA, Zambia (Combined Dispatches) — Troops opened fire Thursday as riots and looting swept through Malawi, claiming up to 38 lives as a strike and democracy demonstrations turned violent, Western diplomats said. It was said the worst anti-government unrest since Malawi's independence from Britain in 1964.

Troops fired on thousands of demonstrators in the center of Blantyre, diplomats said, where the strike began Tuesday with demonstrations for higher pay by textile and municipal workers.

Rioting in Lilongwe was sparked by the detention April 6 of Chakwira Chihana, a labor leader. More than 5,000 people waited outside a courthouse where he was due to appear Thursday. When he was not brought to court, crowds surged into the capital's main market, looting stores and battling the police, witnesses said. (AFP, Reuters)

Survey Cites Fears on Tunnel Safety

LONDON (Reuters) — The British-French consortium that is building the Channel Tunnel reacted angrily on Thursday to a report in a British consumer magazine that suggested that many people might be nervous about traveling through it.

The magazine Which?, campaigning for more information about safety in the tunnel, said 41 percent of adults in a survey of nearly 2,000 Britons were worried about traveling in the railroad tunnel, which is scheduled to go into service in mid-1993. This compared with 26 percent who were concerned about air travel and 21 percent fearful of taking cross-Channel ferries, it said.

Sir Alastair Morton, Eurotunnel Group Chief Executive, on Thursday made public a letter about the report which he wrote to the magazine's publishers. "It is foolish, indeed incompetent, to poll people about something of which they have absolutely no experience," Morton said.

TRAVEL UPDATE

China Eastern Airlines, a Shanghai-based subsidiary of Air China, is to start regular flights on Thursdays and Sundays between Shanghai and Brussels next month, a company official said. (AFP)

The Portuguese government issued an order Thursday to force striking employees of Lisbon's subway system back to work. Workers had staged a 24-hour strike on Wednesday to demand higher wages after a series of stoppages during the morning rush hour over the last two months. The order suspends for 60 days the employees' right to strike during rush hours. (Reuters)

The union representing Italian airline workers said Thursday that Libya's state airline may fire all its employees in Italy in the wake of the United Nations air embargo against Libya. Libyan Arab Airlines normally flies daily between Rome and Tripoli, but under the sanctions that took effect April 15, the airline has been in effect grounded. (AP)

The Weather



Region	City	Today	Tomorrow
North America	Albuquerque	22/71 13/55	22/71 13/55
	Anchorage	18/54 8/48	18/51 8/45
	Atlanta	22/71 13/55	22/71 13/55
	Boston	22/71 13/55	22/71 13/55
	Chicago	22/71 13/55	22/71 13/55
	Denver	22/71 13/55	22/71 13/55
	Houston	22/71 13/55	22/71 13/55
	Los Angeles	22/71 13/55	22/71 13/55
	London	22/71 13/55	22/71 13/55
	Manila	22/71 13/55	22/71 13/55
Europe	Amsterdam	22/71 13/55	22/71 13/55
	Berlin	22/71 13/55	22/71 13/55
	Brussels	22/71 13/55	22/71 13/55
	Frankfurt	22/71 13/55	22/71 13/55
	Geneva	22/71 13/55	22/71 13/55
	London	22/71 13/55	22/71 13/55
	Madrid	22/71 13/55	22/71 13/55
	Moscow	22/71 13/55	22/71 13/55
	Paris	22/71 13/55	22/71 13/55
	Rome	22/71 13/55	22/71 13/55
Asia	Bangkok	22/71 13/55	22/71 13/55
	Beijing	22/71 13/55	22/71 13/55
	Calcutta	22/71 13/55	22/71 13/55
	Hong Kong	22/71 13/55	22/71 13/55
	London	22/71 13/55	22/71 13/55
	Manila	22/71 13/55	22/71 13/55
	Mumbai	22/71 13/55	22/71 13/55
	Osaka	22/71 13/55	22/71 13/55
	Seoul	22/71 13/55	22/71 13/55
	Tokyo	22/71 13/55	22/71 13/55

Tajikistan Foes Reach Tentative Accord

By James Rupert
Washington Post Service

DUSHANBE, Tajikistan — Tajikistan's Communist government and Islamic-dominated opposition said Thursday they had agreed to share power, but it was uncertain whether the accord would be observed by hard-liners on both sides who have been preparing for civil war.

In the hours after the agreement was announced, it appeared that opposition forces were consolidating their hold over the Tajik capital. An opposition broadcast on Radio Dushanbe said "a revolutionary council has been formed" to run the country.

The pact, representing a severe defeat for the Communists, provided for a provisional ruling council to supervise a coalition cabinet. It would reduce President Rakhmon Nabiyev to a figurehead. It also ordered the dismissal of key Communist hard-liners and the nationalization of Communist Party property.

Yet it was unclear whether militants on either side would observe the agreement. The leading Communist hard-liners did not negotiate directly with the opposition, according to a source close to the talks. Some opposition supporters condemned the accord for allowing Mr.

Nabiyev to keep his post or for failing to ban the Communists.

The pro-government militia withdrew from a downtown confrontation with an opposition force Thursday afternoon after the agreement was announced on the government-controlled radio station. Within hours, the station began broadcasting under the control of the opposition.

Reuters quoted Radio Dushanbe as saying that the opposition "takes the current situation in the republic under its control and states as follows: 'A revolutionary council has been formed in the republic of Tajikistan.'"

It was not clear whether the broadcast represented a unilateral takeover beyond what had already been agreed to earlier in the day.

Also Thursday, opposition forces reportedly took the railroad station and other points in Dushanbe. Foreign and local observers expressed concern that some in the opposition might try to take revenge against Communist officials.

After the announcement of the agreement, the whereabouts of senior government officials, including Mr. Nabiyev, were unknown.

The conflict in between Central Asia's strongest Islamic revivalist movement and perhaps its most rigid Communist bureaucracy. It escalated into an armed clash this week after both sides established militias armed with weapons from the stocks of security organs.

A source close to the talks quoted opposition leaders as saying that two important Communist hard-liners — the former legislative speaker Safarali Kenzhayev and Vice President Narzullah Dustov — had held Mr. Nabiyev a virtual prisoner in the legislative building during the talks, apparently trying to force him to toughen the government's stance.

In the end, at least some within the government "understood that they were losing" what was essentially a race to build forces for a potential battle for Dushanbe, the source said.

Until Thursday afternoon, the government and opposition were holding armed rallies only a few hundred meters apart on the main downtown boulevard. In each camp, hundreds of men slept and ate in tents pitched on the pavement or in trucks lining the curbs.

Speakers at each rally condemned the other side before crowds of armed men.

But on Thursday, the opposition encampment appeared to be much larger than the government rally. And, during the day, heavy trucks, loaded with more demonstrators, arrived at the opposition camp.

ARMY: Yeltsin Creates a Force

(Continued from page 1)

Baltic states, the southern Transcaucasian region, Central Asia, and Eastern Germany. Russia is negotiating with Ukraine on the division of the 380-ship Black Sea fleet, which has its headquarters in the Crimean port of Sebastopol.

General Kuznetsov told Nezavisimaya Gazeta that the formerly elite troops in the Baltic states and Eastern Germany could no longer be described as fully "combat-ready" since they were preoccupied with questions of their own withdrawal to Russia. He said that, with the exception of a few elite paratrooper divisions and the 24 Taman motorized infantry division, "only a minimum of military force" remained on Russia's European territory.

While the problems described by General Kuznetsov and other Russian generals are real enough, they may be exaggerating the country's relative military weakness as a warning to civilian politicians. On paper at least, Russia will have an army two to three times larger than that of Ukraine. Even more important, Russia will almost certainly retain the predominant say in controlling the nuclear arsenal of the former Soviet Union.

Ironically, the inauguration of the new Russian Army coincides with traditional annual celebrations of the Red Army's greatest victory: the defeat of Nazi Germany in World War II. Founded by the Bolshevik commissar Leon Trotsky in 1918 to defend the

GERMANY: Divided in Spirit

(Continued from page 1)

city were, unusually, cleaner looking on Thursday than those in West Berlin. Those looked, to a New Yorker, disconcertingly familiar — littered with bits of paper and other rubbish instead of spotlessly clean.

"Berlin is facing huge problems, and the Germans have only begun to realize the full implications of unification," said David Anderson, an American who is director of the Aspen Institute in West Berlin.

One of the problems the united country still has to deal with is a flood of asylum-seekers, who have been arriving at the rate of 1,000 a day so far this year.

Lawmakers in Bonn are working on a change to the constitution and to the applicable laws that would for the first time permit a small amount of immigration into Germany.

At present, only ethnic Germans can immigrate, but hundreds of thousands of others have come, saying they were seeking asylum from political persecution and taking advantage of the years that it takes the Germans to decide their cases to establish residence in Germany.

It is unclear whether the changes can be made in time to stem the flow this year.

Asked whether he and his fellow East Berliners felt nowadays as though they were all citizens of one big city, one young East German man smiled and said, "I just feel like a Berliner."

Mitterrand Gains in Post-Shakeup Polls

By Alan Riding
New York Times Service

PARIS — After suffering a succession of political setbacks in recent months, President François Mitterrand appears to be slowly regaining popularity with his decision last month to name Pierre Bérégovoy as prime minister, replacing Edith Cresson.

According to the latest poll, Mr. Bérégovoy, a former finance minister, has an approval rating of 54 percent, more than twice that enjoyed by Mrs. Cresson when she left office. Confidence in Mr. Mitterrand has risen by 4 points, to 37 percent.

For the first time, the president has also allowed himself to muse that the governing Socialist Party might defy predictions and win parliamentary elections next spring.

Further lifting Mr. Mitterrand's spirits, a debate in the National Assembly this week

seemed likely to end in endorsement of the government's policies toward Europe and, in particular, its adherence to the European Community's new treaty on economic and political union.

This treaty commits the region to create a single currency and regional central bank by 1999 and to establish common foreign and security policies.

In France's case, this will require constitutional amendments. The parliamentary debate that began Tuesday is only to discuss the proposed amendments, with a vote expected next week. But it has already forced opposition parties to state their position on the European issue.

So far, calls for rejection of the treaty have been heard from the Communist Party and the far-right National Front, as well as from some dissident Socialists and conservatives.

But support for the treaty from the two main opposition parties should assure its early ratification.

This in turn should allow Mr. Mitterrand to return to his traditional position as elder statesman guiding French destiny, while leaving his low-profile technocratic prime minister to deal with day-to-day management.

The Mitterrand-Bérégovoy team nonetheless has only until parliamentary elections next March to transform the Socialist Party. The party suffered a humiliating defeat in regional elections earlier this year when, after 11 years in office, it won only 18 percent of the popular vote.

If, as has been widely forecast until now, the Socialists lose next year, Mr. Mitterrand might be forced to leave office two years before the end of his second seven-year term.

IRAN: U.S. Aide Ties Tehran Envoy to Embassy Bombing in Buenos Aires

(Continued from page 1)

suspect. "Our view about that has not changed since then," she said.

"I would refer you to our 1991 terrorism report we issued two weeks ago, where we have an explanation of the connection between Islamic Jihad and the Iranian government," she said.

A report on the bombing by the Argentine Border Guard ruled out claims by Islamic Jihad that it had been a suicide mission, Argentine court sources said Thursday.

The report said the bomb was in a truck parked outside the embassy and was set off either by a simple fuse or an electronic timing device.

The State Department official said there was evidence that known members of Islamic Jihad and Hezbollah, or Party of God, a closely related Islamic fundamentalist guerrilla group backed by Tehran, visited several Latin American capitals including Buenos Aires before the bombing.

The Buenos Aires bombing was widely seen as revenge for Israel's killing in February of Sheikh Abbas Musawi, a prominent Hezbollah leader in Lebanon. That killing sparked several days of heavy fighting between Israel and Hezbollah in southern Lebanon.

The State Department official said Iran, with the help of Syria, moved swiftly to replenish Hezbollah's arsenal, which had been depleted in the fighting. Tehran airlifted Katyusha rockets and other weapons to Damascus and sent them overland from there to the guerrillas.

"A lot of relatively heavy equipment was used — Katyusha rockets in large numbers — and those have been resupplied via flights to Damascus and trucked into South Lebanon. So they are stocking the flames with Syrian cooperation in South Lebanon," said the official.

He said Hezbollah could now be unleashed against Israel again at any time.

The State Department last week released its annual report on terrorism worldwide in which it identified Iran as one of six "state sponsors" of terrorism.

The official said Iran had emerged as the most dangerous state sponsor of terrorism, although President Hashemi Rafsanjani has cultivated his image as a moderate.

The United States had warned governments around the world of the threat, the official said, adding that the Iranians might choose targets far from the Middle East because it would be more difficult to link them to such attacks.

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BISHOP: Scandal Alters Ireland's Abortion Debate

(Continued from page 1)

the decision has left both sides in the dispute unsure exactly what the law is, and the issue has become entangled in the government's efforts to gain approval of the Maastricht treaty of European union in a referendum next month. The Conference of Bishops, which represents the country's 35 bishops, has criticized the government's handling of the problem. Mr. Reynolds told the bishops privately that he resented their criticism.

But overnight, the talk of Ireland switched from the post office strike, the pluvial sky and the tangled legal issues involved in the abortion debate to the case of Bishop Casey and what effect it would have on the church's fight against proposed liberalizing changes in abortion law. Newspapers ran the story under banner headlines; television and radio produced hours of interviews, analyses and comments from officials, clergy and ordinary

people, most of whom said they felt sorry for the bishop.

An Irish Times editorial praised him as "outstanding among the Irish bishops for his humanity, his passionate concern for the deprived, the poor and the defenseless. His name is a synonym for energy, drive and determination in the cause of good."

But it added: "All are entitled to a fuller explanation for this extraordinary turn of events. Absence of clarification can only fan the fires of speculation."

A spokesman for the prime minister said, "It's a personal tragedy, and we regret that such a situation arises."

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For Many 'Virgin' Criminals, Looting Reflected Anger and Desire for Reparations

By Seth Mydans
New York Times Service

LOS ANGELES — In hectic, round-the-clock proceedings, thousands of men and women who were in the mobs that ravaged Los Angeles have provided courthouses here, facing arraignment on charges of looting, arson, assault and curfew violations.

Some have long criminal records, some in the parole of their lawyers, are "virgins," never having broken the law before. All of them are young, a fisherman, a postal worker, a graphic designer, a sales clerk, a homeless person — all accused of discovering within themselves an impulse to anarchy when the city was in flames.

That impulse took many forms, from angry gang members intent on setting scores to poor immigrant families unable to resist the lure of what one police officer called "the basic freedoms that we all take for granted." In the tenements of south-central Los Angeles, the looting began with a conviction of anger at the acquittal April 29 of four white police officers in the beating of a black motorist, Rodney G. King.

On Wednesday, the area's housing projects seemed a veritable Smithsonian Museum of the modern American home, with a jumble of hardware, shoes, kitchen appliances, television sets, athletic shoes, diapers, dining room sets, panty hose, toys, auto supplies, rental videos, beer and popcorn.

In one crowded apartment building, said Lieutenant Rick Morton of the Los Angeles Police Department, 75 percent of the tenants were found to possess looted goods and were swapping goods among themselves.

For the most part, he said, people stood by silently as the police removed the booty from their homes, speaking up to object only when officers reached for items that had belonged to them before the riots.

Their contrition, or acquiescence, at least, was in sharp contrast to the festival of greed that filled television screens last week, as outnumbered police officers stood by while people looted bags and shopping carts with goods.

Chaytor D. Mason, a professor of psychology at the University of Southern California, said that with the police scarcely in sight, the looters were able to indulge their inclinations, which are usually held in check.

"The attitude here is, 'Here's my chance. There's no cops around,'" he said. "And the mob psychology of it is that people in anonymity in mobs will do things they would not ordinarily do because they think they can get away with it."

His observation echoed a common theme during the King trial, where defense lawyers argued that the police formed a fragile boundary between "society and chaos."

Though figures giving a racial breakdown of those arrested are not available yet, it was evident that most of those being arraigned in the past few days were poor people who are members of minority groups.

Sheriff Sherman Block of Los Angeles County said that of the 1,628 people arrested by sheriff's deputies on various riot charges, 810 were black, 728 Hispanic, 72 white and 18 listed as being of other races.

But Will M., the former gang member, said stereotypes could be wrong.

"You have to look at the people who didn't do it, like me," he said. "I could tell you about all the temptation that I felt. I could tell you about how many times I went to the door and had the temptation to go out. But I had to be a role model for my little brother."

In interviews at housing projects in Watts, where few businesses have returned since the riots and burning of 1965, it became clear that the most disadvantaged citizens of the city had again failed to benefit from an economic windfall, albeit an illegal one.

Apart from the tough men on 103d Street who were said to have trucked home several safes, and the cousin or uncle who was said to have brought home boxes of electronic equipment, most people managed only a pitiful shopping spree.

For many young men in the projects, anger rather than avarice seemed to be the motivation.

As the verdicts in the beating of Mr. King were announced, said a young man who identified himself as J.B., "I was watching TV, and they were saying, 'Not guilty. Not guilty.'"

"An hour later I saw these guys at Florence and Normandie beating up the guy in the truck. They're the ones that got it started off," he said. "I said, 'O.K., I'm down with that. If that's how they're going to do it, we're going to do it too.'"

Some critics said the authorities were themselves stretching the law by picking and choosing the people they arrested for curfew violations and by extending the deadline to arraign people already in custody.

Tuesday night, Governor Pete Wilson signed into law an emergency measure giving the courts seven days, rather than the usual two, to arraign those arrested in the riots.

One police warehouse holding stolen goods seemed a veritable Smithsonian Museum of the modern American home, with a jumble of hardware, shoes, kitchen appliances, television sets, athletic shoes, diapers, dining room sets, panty hose, toys, auto supplies, rental videos, beer and popcorn.

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President Promises Extensive Aid to Help Rebuild City

By Our Staff From Dispatches
LOS ANGELES — President George Bush expressed outrage Thursday as he toured inner-city areas devastated by last week's riots, but he declared that the city would be rebuilt with intensive federal help and that "justice will prevail."

Mr. Bush, surrounded by heavy security, walked through the ruins of a burned-out inner-city shopping center, peering into looted stores and talking with some who had lost their businesses.

"I'm just a poor lawbreaker," he said.

The president then attended a church service and promised a vigorous Justice Department investigation into alleged civil rights violations that are at the heart of racial tensions in the city.

"We've seen the hatred. We've got to heal and see the love," Mr. Bush said at a multidenominational worship service at the Mount Zion Missionary Baptist Church, which lies in the middle of one of the hardest-hit areas of south-central Los Angeles.

"We are embarrassed by interracial hatred and prejudice. We are ashamed," he said. "We will do our level best to see that it is eliminated."

Mr. Bush pledged great strides had been made in the rioting, in which 58 people died. "This city will be rebuilt," he vowed. But he also expressed "grief and dismay" at the devastation.

Mr. Bush promised that the Justice Department will "follow through" on civil rights inquiries.

"I want to see the civil rights of anyone who has been violated, the rights of Rodney King or anyone else," he said.

Last week's acquittal of four police officers accused in the beating of Rodney G. King triggered the riots.

"Justice will prevail," Mr. Bush assured black community leaders.

The president also visited a police precinct in the devastated area.

As the president toured the area, his limousine was surrounded by a mob of unsimulating residents, and one black man offered an obscene gesture of contempt as the convoy passed.

The police blocked off some of the city's busiest streets at the height of rush hour, and dozens of police patrol cars and motorcycle outriders guarded the president's entourage.

The president's first stop was at the Crenshaw Town Center, a burned-out shopping center in south-central Los Angeles. Onlookers were kept back as he walked past the looted and damaged stores.

Security was so tight that television network crews said the White House asked them not to broadcast any of Mr. Bush's visit live to keep from giving away his exact location in the area.

Authorities were concerned that Mr. Bush's visit might stir violent protest. Hundreds of Koreans who lost businesses chanted and waved signs outside his hotel Wednesday night, and at least a dozen were arrested when they stormed a police cordon. Some of them waved signs saying "We Need Money Now" and "Mr. President — If You Won't Help, Clinton Will."

Mr. Bush said when he arrived in Los Angeles that the city's people were now "free to come out from behind those closed doors."

"I'm thankful to see that calm has returned to the city," he said.

But his promises of federal assistance were met with skepticism and derision by many residents of mostly poor black and Hispanic neighborhoods that have long complained of government neglect.

"We expect George Bush to do absolutely nothing," a black community activist, Fred Williams, said. "In another year or so, or less than a year, young people in the city are going to rise up and the aging Negroes will be sick and tired of being neglected."

Earlier, with Mayor Tom Bradley and Governor Pete Wilson of California standing behind him, Mr. Bush detailed how \$600 million in federal loans and grants would be used to help victims recover from the rioting. The aid includes personal grants of up to \$11,500 to meet urgent needs like food.

Mr. Bush also was to meet with police officers, fire fighters and National Guard troops before returning to Washington on Friday.

(AP, Reuters)



PLEA TO THE PRESIDENT — Korean-Americans rallying outside the Los Angeles hotel where President George Bush was staying. The demonstrators protested the lack of protection given their community during the riots and demanded aid for damaged businesses.

LEADERS PLEDGE ON VOTE
Military forces that have mounted a presidential election.

General C. Aquino have pledged to choose their leaders in a free, fair, new elections, a figure in the House.

General C. Aquino have pledged to choose their leaders in a free, fair, new elections, a figure in the House.

Perot Pledged Nixon Millions, Memos Say

The Associated Press
WASHINGTON — Twenty-year-old White House papers say that Ross Perot pledged \$50 million to help polish the political image of President Richard Nixon. The offers totaled \$50 million, whose memos indicate they provided White House favors to Mr. Perot and his family.

He never actually put up any public-image money, and a Nixon aide, Charles W. Colson, later described one Perot pledge as a "con job" to gain access to the president.

Mr. Perot, a Texas billionaire who is considering an independent bid for president, said he never made the \$50 million in offers. Quite to the contrary, he said Nixon aides would sometimes solicit him with "fantasyland numbers" and "beautiful and strange ideas."

"And I always made it very clear to them I wasn't interested," he said.

Memos by Nixon aides are often rich in detail, conveying occasional frustration over Mr. Perot. Mr. Nixon declined to answer questions about his meetings with Mr. Perot.

A review of documents from Mr. Nixon's presidency, from 1969 to 1974, in the National Archives showed frequent contacts involving Mr. Perot, including White House intervention for him at the Internal Revenue Service and in two appeals of government contracts for his computer firm, Electronic Data Systems.

The documents indicate the Nixon administration considered Mr. Perot one of its "financial angels" who should be "stroked from time to time."

Such White House attention is legal and perhaps routine for major supporters and contributors, and there is no indication in the documents that Mr. Perot sought favors for money. Some memos go out of their way to describe decisions favorable to him as made solely "on the merits."

Office logs indicate that a Nixon assistant, Peter M. Flanigan, talked or met with Mr. Perot 40 times. Mr. Flanigan said he remembered a man quite different than the incipient presidential candidate who now declares himself a political outsider and rails against those who lobby Congress and the White House.

"This business about him being an outsider is nonsense," Mr. Flanigan said. "He knows how to play every instrument in that band. He was the ultimate insider."

In private meetings with Mr. Nixon, according to White House memos, Mr. Perot offered \$50 million for a public relations effort in 1969 that included plans to buy a major newspaper and television network and \$10 million in 1970 to create a pro-Nixon think tank.

Mr. Nixon accepted both offers, but Mr. Perot never delivered, according to the documents. In 1971, the documents said, Mr. Nixon encouraged him to invest in a failing Wall Street stock brokerage, dePont Glore Forgan, and Mr. Perot did so, for \$55 million.

A six-page memo prepared for Mr. Nixon's chief of staff, H. R. Haldeman, on Jan. 12, 1977, recounts a series of Mr. Perot's complaints and requests for personal favors. The document describes White House efforts to intervene with federal agencies on behalf of Mr. Perot.

Mr. Perot said Wednesday that 99 percent of his contact with the Nixon administration involved his efforts to win freedom for American war prisoners in Vietnam, although he acknowledged seeking and receiving a few personal favors.

But Mr. Haldeman said that he vividly remembers Mr. Perot initiating the public-image offers, particularly \$50 million to buy news

Perot Pledged Nixon Millions, Memos Say

media outlets, because Mr. Nixon was excited about the possibility that "there would be one medium interested in our side of the story."

Mr. Colson, Mr. Nixon's special counsel who went to prison for obstructing justice, said in a 1988 oral history interview, "I don't know anybody in the whole four years I was at the White House who was able to muscle himself in quicker into the president's own confidence."

The Nixon documents said that between 1969 and 1973 Mr. Perot requested meetings with the president several times, received at least three private meetings with him, attended eight White House social events and sometimes had contact with the White House as frequently as once a week.

In May 1969, Mr. Perot had his first private meeting with Mr. Nixon after he offered \$50 million "to spend for the benefit of the president," according to a memo by a White House deputy.

The president suggested Mr. Perot buy some news media outlets, including the ABC network and the Washington Star newspaper, the memos said. The White House was so impressed that an aide, John Ehrlichman, asked Mr. Flanigan to check out the value of ABC. "For your information," Mr. Ehrlichman wrote in a May 1969 memo, "ABC network is worth \$400 million."

Mr. Perot denied ever making either the \$50 million or \$10 million pledges.

While Mr. Perot insists his contacts with the White House generally were limited to his well-publicized efforts to free prisoners, most of the favors detailed in White House memos involved personal or business matters, such as autographed photos of Mr. Nixon, clearance for his son to see the Apollo 11 moon launching and a spot for his mother at a presidential prayer breakfast.

Divided L.A. Police Try to Fix Blame

By Our Staff From Dispatches
LOS ANGELES — Amid mounting evidence that the police minimal structure was paralyzed by inaction in the critical first hours of last week's rioting, senior police officials have turned to bickering and name-calling.

One assistant chief, David Dotson, accused Chief Daryl F. Gates of "absolute unprofessionalism and stupidity."

Mr. Gates responded by denouncing Mr. Dotson, saying he was guilty of "severe dereliction of duty."

Mayor Tom Bradley demanded an explanation from Mr. Gates, who said at a news conference on Wednesday that he was investigating "a command paralysis" during the riots.

But Mr. Gates was criticized for attempting a political fund-raising event with other senior police officials despite knowing that violence had broken out.

Los Angeles County Sheriff Sherman Block said the initial police response "didn't make any sense" and accused the police of being "looters" in a "surrender of legitimacy" by their inaction.

"Any second, I expected to see black-and-whites and ambulances," he told the County Board of Supervisors, describing his reaction as he watched the television reports. "Had I believed they wouldn't have responded, we would have."

The police department also came under attack by fire officials for failing to control a mob that burned unheeded through the Los Angeles Civic Center, smashing windows and trying to start fires.

A transcript of radio transmissions between a dispatcher and police officers on patrol as the mob began last Wednesday showed that officers were told to wait for further orders. "I'm trying to get the shift commander off his dirt," the dispatcher radioed.

Police radio transmissions and interviews with officers who were at the scene where the riot started indicate that local police commanders feared for their officers' lives, felt woefully outnumbered, had no contingency plans and received inadequate backup and conflicting orders from higher-ups.

"I didn't want them killed; it's really that simple," Lieutenant Michael Moulin, the officer in charge at the riot scene at Florence and Normandie avenues, where the trouble began, said in published interviews on Wednesday.

Lieutenant Moulin was explaining why he ordered 25 officers to retreat from that intersection after they were pelted with bricks, bottles and chunks of concrete by a mob last Wednesday.

Rank-and-file police officers said they were frustrated and confused by the top-echelon bickering.

Senior police officials apparently did little to plan for the possibility of violence and did not follow standard procedures to contain rioting once it began. An examination of television news tapes and police radio transmissions, as well as interviews with city officials show that the police never put into effect their standard riot-control strategy — to pull officers back momentarily at the start of serious violence, then move back in quickly with a huge show of force.

According to radio transmissions, Lieutenant Moulin told his officers, "I want everyone out of here, Florence and Normandie. Everybody. Get out now."

But for more than an hour, he and as many as 200 other officers waited at a command post a mile away, forced to ignore thousands of emergency calls.

"There was a complete breakdown" of the command leadership, said one officer at the command post. "There was no contingency plan. There was nothing but paralysis."

At one point, 40 special-weapons and tactical-squad officers left the command post for the riot scene but within a block of it realized that they would be overwhelmed and pulled back, the officer said.

(NY, NY, Reuters, LAT)

KEMP: Housing Aide's Anti-Poverty Proposals Are Suddenly Apropos

(Continued from page 1)

past two years, provided to a reporter without permission last year by someone outside his office, reads like the pleadings of an outside advocate.

In a letter dated May 1990 to the Domestic Policy Council, which was reviewing options for an anti-poverty effort, Mr. Kemp warned that the problems of urban America had reached "a moment of critical mass." He said it was "past time for the administration to aggressively highlight a new comprehensive anti-poverty agenda."

White House aides then drafted a potential strategy for the president that made Mr. Kemp write back in July 1990, accusing them of "bureaucratizing the effort and sending it to oblivion."

He was particularly vexed at their plans to conduct technical studies of the way anti-poverty programs are financed and managed.

Part of what has set Mr. Kemp off from his administration rivals is his view that the Republican Party can benefit politically from an anti-poverty effort, especially by attracting more minorities to the party. Few people in the administration have spoken as crudely as Patrick J. Buchanan, the Republican presidential challenger, who said that Mr. Kemp has "gone native." But many others have doubted in private that there is any political profit in his plans.

In their 1990 planning document, White House aides addressed the political calculus of an anti-poverty effort backed fully by the president.

On the plus side, they said it "takes the moral high ground." On the down side, they warned, the effort could give poverty "greater visibility," and bring new pressure to "increase spending and demonstrate concrete success."

Mr. Kemp wrote back in a complaining tone that "poverty already has a high public visibility."

While a year ago Mr. Kemp was coming as close as he could to criticizing the president, he is now being careful not to pick fights.

Asked Wednesday if aides like Richard G. Darman, the director of the Office of Management and Budget, had slowed his efforts, Mr. Kemp replied, "Are you crazy? You're trying to get me into an interminable warfare on the night I'm going out with the president to help implement these ideas."

In interviews three times this week, Mr. Kemp was asked to specify what Mr. Bush had accomplished on behalf of urban America. First he said, "I don't want to even say that," calling the question "cynical."

Next he made a joke, arguing "with tongue planted firmly in cheek" that Mr. Bush had had the good sense to make him the housing secretary.

Asked a third time, he lashed out at Governor Bill Clinton of Arkansas, Mr. Bush's likely Democratic challenger.

Mr. Kemp's ideas are part of what he likes to call "empowerment," a strategy to circumvent government bureaucracies and use market forces to accomplish social ends.

He is most vocal about three policies: those that will give tenants in public housing the chance to buy their units; those that will let parents choose the schools their children attend, public or private; and those that would give tax breaks to businesses that locate within inner-city "enterprise zones."

Congress has given Mr. Kemp less money than he wants for the first program, and nothing for the others — a situation the White House has been quick to highlight in arguing that Democrats cling to failed, outdated policies.

Bush Likely to Go To 'Earth Summit'

By Michael Wines
New York Times Service
WASHINGTON — Ending a fractious administration debate, President George Bush is expected to announce soon that he will fly to Brazil for a United Nations environmental conference that his conservative advisers call a trap and his economic experts see as a fiscal debacle.

The prospect of that announcement is likely to cheer a worldwide alliance of environmental advocates and political figures involved in environmental issues, who have long feared that Mr. Bush might single-handedly wreck the meeting widely referred to as the "Earth Summit," simply by staying home.

Environmentalists have resorted to advertising on national television to press Mr. Bush to attend, and the issue loomed as an important factor in the presidential campaign.

As the world's largest industrial economy and its largest energy user, the United States is both the planet's most prolific polluter and far and away its prime source of clean-up technology and money, and thus is regarded as indispensable to the 12-day meeting, which begins June 3 in Rio de Janeiro.

Some of those urging the president to attend, however, now complain that Mr. Bush's tough negotiating tactics may make the conference more a symbolic triumph than a substantive success.

The president has dangled the threat of a boycott while seeking major concessions on environmental agreements to be signed in Rio.

"It would be hard to imagine a more important event for the future of the global environment than this one," said James Gustave Speth, president of the U.S.-based World Resources Institute. He expressed disappointment in seeing "my government fail to give the kind of leadership that it gave 20 years ago."

Mr. Bush has yet to declare his intention, although White House officials have said for weeks that a decision was close.

Several administration officials said this week that the president almost certainly would attend, however briefly.

The meeting, formally called the UN Conference on Environment and Development, will be attended by at least 100 heads of state, including most Western leaders, and 6,000 experts on the global environment. Its centerpiece, now being negotiated, are a worldwide agreement to slow the production of chemicals that have accelerated the warming of the earth's atmosphere and a second agreement on means to preserve plants and animal species.

Mr. Bush has repeatedly voiced skepticism about the conference. For most of this year, while aides haggled over the fine points of treaties and declarations, he has publicly fretted that the conference would become a soapbox for poor nations to demand billions in environmental technology and handouts that the White House neither has nor intends to pledge.

Some aides also expressed alarm that the conference would commit the United States to actions intended to avert global warming, like reductions in emissions of carbon dioxide, that would cripple major industries at a time of fragile economic growth.

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CUNARD

INTERNATIONAL Herald Tribune

It's the Bush Court

Clarence Thomas and David Souter, the two Supreme Court Justices appointed by President Bush, have just made moderates of Sandra Day O'Connor and Anthony Kennedy, two Reagan appointees. The newest Justices tipped the balance in a 5-to-4 decision stripping another right of access to the federal courts for prisoners who believe their rights have been denied.

The Vietnam Issues

Vietnam counts 300,000 MIAs of its own — a figure considered normal for the chaos and bloodiness of an extended war — and long ago it consigned this huge toll to private grief. In the United States a much smaller number of American MIAs—some 2,266, of which 135 make up the core figure—have been the subject of intense argument.

In the Light of L.A.

The fires of Los Angeles cast harsh new light on the way America writes off places, urban wastelands that are more patrolled than policed. Even worse, America writes off people — another generation of young black men. Studies show shockingly large percentages of young black men behind bars or under correctional supervision, feeding popular fears and stereotypes. Quickly, glibly, they are all classified as criminals.

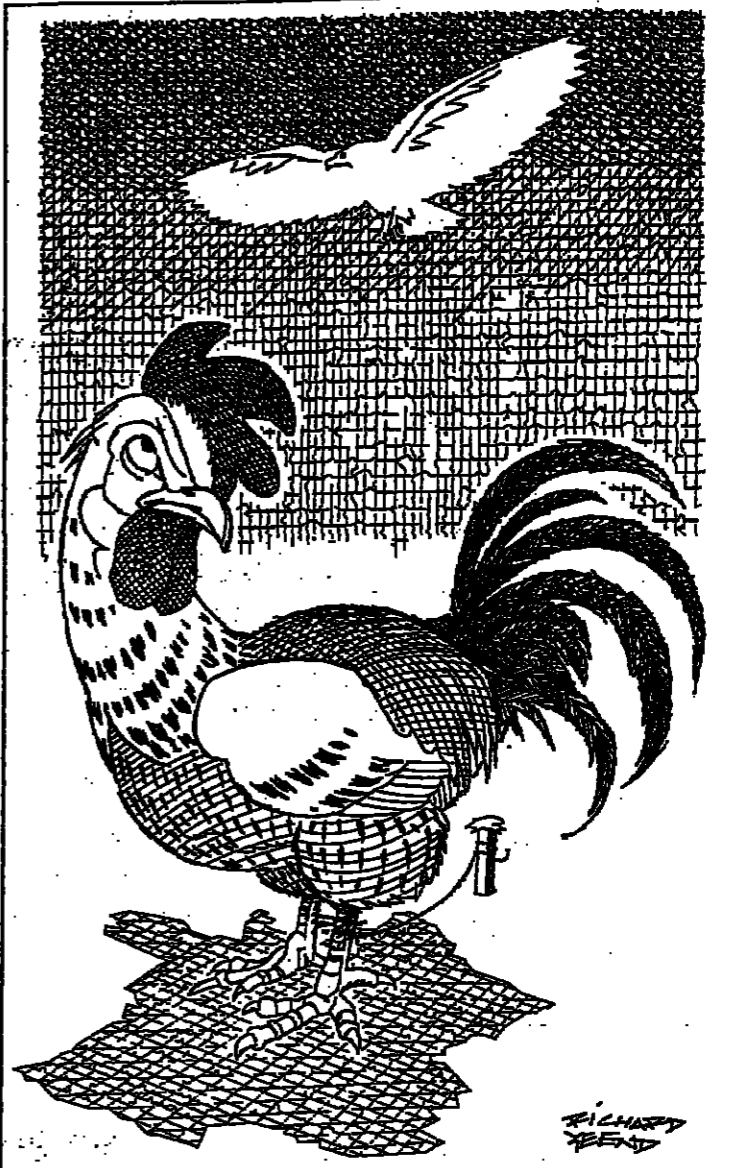
Germany's Monetary Satellites May Have to Set Themselves Free

By Brendan Brown

LONDON — European monetary union is a siren call along the way to a liberal economic and political union of European Community states. Already the slavish following of Bundesbank policy by the French and British governments has made the German central bank into virtual monetary sovereign of Western Europe.

OPINION

monetary union the grand objectives of his economic and foreign policy. Monetary union is central to his strategy of accelerating EC integration so as to contain German power. France's diplomatic offensive aimed at taming German monetary power could well have the opposite result.



As France Reviews Maastricht, Don't Look for a Replay of 1954

By Dominique Moisi

PARIS — With the rioting in America and the strikes in Germany, the French seem to be slowly emerging from the post-Cold War blues. Reassessing what they have, they suddenly realize that grass is not necessarily greener elsewhere.

protect what was left of its colonial empire. In 1992, those who oppose a united Europe have become a clear minority. Even the Gaullists, in spite of their divisions, have rallied to the cause of Europe.

Stop Dumping on the '60s Programs

By Flora Lewis

PARIS — It isn't true, as some were saying after the riots in Los Angeles and other cities, that nothing has changed in American race relations in the last 30 years. A lot has changed, not all for the better.

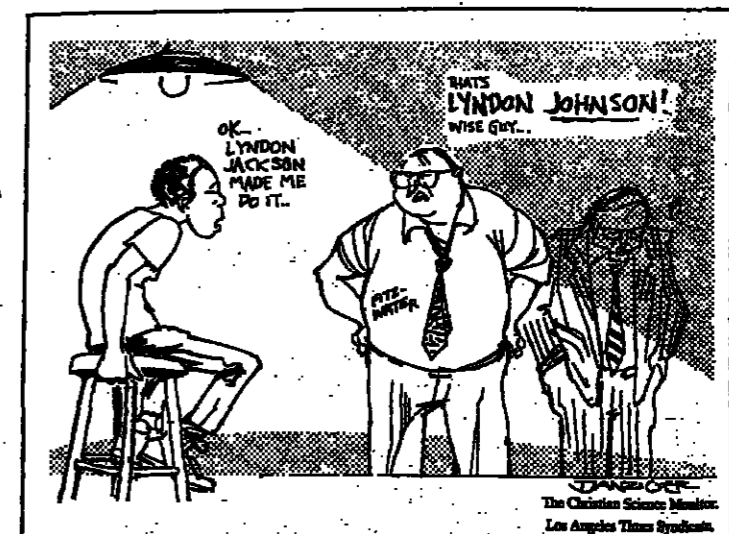
blacks beating white men in Los Angeles had in common was the air of enjoyment. It was not so much the vicious hate but the excitement of pleasure, the pleasure of hurting someone's defenses.

Being Different Doesn't Have to Be Scary

By Jason C. Denchler

OAK PARK, Illinois — The police beating up on Rodney King like that was really very wrong, but that does not give people the right to run out and hurt others. Two wrongs don't make a right.

the truth, he made up something about how he had gotten a report about a boy dressed like me who had stolen a black bike. Oak Park is a good town, but there is racism here, like every place else.



of class but nonetheless a special category of people not to be considered as individuals. The idea was put most succinctly years ago in Stephen Sondheim's lyrics for the musical West Side Story.

IN OUR PAGES: 100, 75-AND 50 YEARS AGO

- 1892: Holy Carpet Ride CAIRO — There was a ceremony at Khasout this morning (May 7) to mark the departure of the Mahmal or tent containing the rich sacred carpet destined to replace, on the tomb of the Prophet at Mecca, the carpet sent last year. The Khedive surrounded by the Ministers and Mussulmans of rank, in full dress uniform, presided in the Place Chateaux over this departure.

INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairmen LEE W. HUEBNER, Publisher JOHN VINCIGUERRA, Executive Editor WALTER WELLS, News Editor SAMUEL ABT, KATHERINE KNORR and CHARLES MITCHELMORE, Deputy Editors CARL GEWIRTZ, Associate Editor ROBERT J. DONAHUE, Editor of the Editorial Page REGINALD DALE, Economic and Financial Editor RENÉ BONDY, Deputy Publisher RICHARD H. MORGAN, Associate Publisher JUANITA L. CASPARI, Advertising Sales Director ROBERT FARRÉ, Circulation Director, Europe International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France. Tel.: (1) 46.37.93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612716; Production, 630698. Directeur de la Publication: Richard D. Simmons Chairman from 1958 to 1982: John Hay Whitney Editor for Asia: Michael Richardson, 3 Conventry Rd., Singapore 0511. Tel: 473-7768. Telex: RS56928 Mng. Dir. Asia: Roy D. Kinnear, 30 Grosvenor Rd., Hong Kong. Tel: 8610616. Telex: 61170 Mng. Dir. U.K.: Gerry Thomas, 63 Long Acre, London WC2. Tel: 836-4802. Telex: 262009 Mng. Dir. Germany: W. Lauterbach, Friedrichstr. 15, 6000 Frankfurt/M. Tel: (069) 726753. Telex: 416721 Gen. Mgr. Germany: 850 Third Ave., New York, N.Y. 10022. Tel: (212) 732-3890. Telex: 417173 Pres. U.S.: Michael Conroy, B73201126 Commission Postmark No. 61337 S.A. au capital de 1.200.000 F.RCS Number B73201126 Commission Postmark No. 61337 © 1992, International Herald Tribune. All rights reserved. ISSN: 0194-8022

OPINION

Crafty Manipulator: Perot Is the Old Pro of Politics

By William Safire

WASHINGTON—Ross Perot used to make himself useful around the Nixon White House, in hopes of setting up his company with having with the Social Security Administration.

What kind of leader needs 60-day wonderment to decide his basic approach to complex issues? Can a two-month cram course in popular positioning prepare anyone for the presidency?

ing list. The Perot plan: to fill trucks with the returned-coupon mail and dump out the contents in front of cameras at the White House, proving that the people were spontaneously identifying with our Silent Majority.

As a certified mind-twister, I attended a meeting with chief of staff H. R. Haldeman, his aide Alex Butterfield and press secretary Ron Ziegler. My contemporaneous notes show Mr. Haldeman asking for a report on the Silent Majority reaction to a Nixon speech: Where were the Perot letters?

Mr. Butterfield said that Mr. Perot had reported he was carefully holding onto all the letters in each of the cities where ads had been run.

"Where exactly are the letters?" asked Mr. Haldeman, who liked specifics. "In banks," replied Mr. Butterfield. "You mean," said Mr. Ziegler, smacking his forehead, "when reporters ask me, 'Where is the Silent Majority?,' I can say we have them locked up in bank vaults all over the country?"

"Yes," deadpanned Mr. Butterfield. "It's all part of 'One Nation Under God' Month."

Now, after all these years, I see the purpose of those letters: They were the seeds at the core of the up-from-the-bottom.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

How the High-Tech U.S. Medical System Milks the Most Out of Death

By Norman A. Paradis

NEW YORK — It has been more than a year since my father died and I have come to believe that the circumstances of his death demonstrate much of what is wrong with our medical system.

The American health-care system is structured to meet reimbursement rather

than patients' needs. Tremendous amounts of money are spent prolonging death, not life.

All my life, I heard so much about what a good and gentle physician my father was that at first I ran from the idea of becoming a physician myself.

But at 35 I was well along in my own medical career and with pride brought him to Britain to hear me deliver a paper. He had trained there and wanted to find out what had become of his classmates. He seemed to lose some vitality when he heard they were all dead.

In perfect health his whole life he began to complain of back pain. In the United States he was examined by several internists. All his blood tests were normal and they declared him healthy. Yet the pain persisted. We felt it

might be spinal irritation and arranged for a neurologist to see him. This doctor said his CAT scan was normal and he was reassuring; it may just be a pinched nerve, he said. "Your father is 75 years old, but doesn't look a day over 50."

Then he developed a blood clot and was admitted to the university hospital. Blood clots are a sign of cancer and I insisted that they work him up from head to toe.

Another CAT scan showed a lesion in the pancreas and others in the liver.

I flew to his home to see him. Years of training did not prepare me to see my father ill. He looked old and frail. I went to radiology to see the CAT scan. When I put it in the light box I knew that my father would soon die.

I asked the rest of the family to leave me alone with him. I could not stop my tears. He held me and whispered that everything would be O.K. "Norman, I have been a surgeon for almost 50 years," he said. "In that time I have seen physicians torture dying patients in vain attempts to prolong life. I have taken care of you most of your life. Now I must ask

for your help. Don't let them abuse me. No surgery, no chemotherapy."

I assured him I would take care of everything. Before returning to New York, I thought I had made our wishes clear to his doctors: Treat the clot, get a biopsy if possible, but, above all, make him comfortable. Almost immediately, a series of surgical and radiological procedures started.

When hysterical phone calls from my mother began I quickly realized what was going on. Consulting surgeons get paid thousands of dollars an hour when they "decide" to operate. So that was what they were deciding to do. It's an old story of inflated fees charged by sub-specialists with procedure-based practices.

When I finally got my father's physicians on the phone I insisted he be cared for only by internists who had no incentive to do anything but make him comfortable.

They assured me they understood my concerns and would keep in close contact. I never heard from them again. When my brother, a lawyer, arrived, he found our father in a hallway where he

had been left after "a test." He pleaded: "They are treating me like an animal. Please get me out of here."

With difficulty my brother contacted the physicians in charge and was assured things would improve. We said legal things about performing procedures without consent and thought the problem was solved.

I can't describe the anger I felt when my mother called to say they had continued the endless procedures as soon as we left. My father had been in the hospital for two weeks. He had spent most of that time receiving unnecessary "billable" high-tech therapy that could not possibly cure him or relieve his pain. Many things had been done to correct problems caused by earlier "therapies."

When my mother put him on the phone he was incoherent.

We arranged a conference call with the hospital administrator and chief of staff. The surgeons were "too busy" to come to the phone. "Despite our clear instructions, you have continued to perform invasive procedures on our father," my brother said. "He is now incompetent, so we are invoking our power of attorney and explicitly forbidding you

from doing anything that is not directed at relieving his suffering."

After my mother called the next morning to say he had again spent the night undergoing surgery, I called almost every other hospital in his state trying to arrange a transfer. Again and again I was assured he was "in the best of hands" and that I must be mistaken in describing his therapy as unacceptable.

Each time we arranged to move him home or to a hospice, a test or procedure would be performed, making him temporarily too unstable to be transported. When I again flew down I found my father alone in a hallway after an ultrasound exam. He was skeletal and barely arousable. I moved him back to his room. Within hours my sister and I had him moved to a nearby hospice. He died the next morning.

What had gone wrong? If a doctor and a lawyer could not get decent care for a doctor, what chance does the public have?

The writer is director of emergency medicine research at New York University-Bellevue Hospital. He contributed this comment to The New York Times.

A Sure-Fire Investment Op: Get In on the Terminally-Ill Care Boom

By Morley Safer

NEW YORK — Early this month I received a telephone call from the son of an old friend, a young man I had not seen in 20 years.

After catching up on family news, he told me he was an investment banker working for a major securities house and he was hungry for clients. I explained that I was not much of a catch as an investor. But I said, if he had something brass-bottomed safe and profitable, he should let me know.

A few days later a letter arrived. "Dear Morley,

"As per our conversation, enclosed is material on Cornucopian Health Resources [I have changed the name], a fast-growing medical company with great potential for profit as an investor. "Cornucopian Health Resources is an outpatient therapy provider based in California. The

company's potential customer base is small but lucrative: 20,000 hemophiliacs and others afflicted by rare but lifelong diseases.

"Unlike most home infusion companies, which turn over their patient base every 3 to 6 months, Cornucopian treats individuals for which no cures exist. As a result, once patients sign on with the company a recurring revenue stream is created that can last for decades. A hemophiliac, for example, must pay about \$50,000 a year for treatment.

"Revenues are growing rapidly because patients are being added at a fast pace. Those people generally remain with the company on a long-

term basis, creating a substantial foundation for revenue intake.

"Last year, revenues reached \$78 million, a big jump from \$40 million in sales in 1990 and an even bigger jump than the \$12.8 million reached in sales in 1989. The company expects revenues to reach \$110 million in this fiscal year. Earnings per share, just \$0.12 in 1990 and then \$0.45 in 1991, are expected to reach \$0.65 this year.

"The stock is not inexpensive. It trades at 32 times next year's earnings. However, because of the relatively captive nature of the company's customer base, the prediction to buy at the current price is on line.

"Also emboldening is the fact that Cornucopian typically gets its money from patients' insurers in two to three months versus the four to five month

receivable cycle of some therapy companies.

"Moreover, with \$28 million in cash and only \$11 million in total liabilities, the balance sheet is healthy."

The search goes on for wonderful, rare but lifelong diseases — those lucrative, delightful afflictions that make doctors throw up their hands in dismay.

Silly me, I thought Gordon Gekko, the rampaging buccaneer character in the movie "Wall Street," was dead. Not only is he good, but, as the letter says, his balance sheet is healthy.

The writer is co-editor of the CBS program "60 Minutes." He contributed this comment to The New York Times.

LETTERS TO THE EDITOR

Human Rights in China

Regarding "Let's Take Another, Longer Look at China" (Opinion, April 16) by Robert W. Barnett:

The writer asserts that the words "human rights" do not exist in China's vast classical writings on good government, as if this justifies Western societies in overlooking the Beijing regime's human rights abuses.

Surely, there are no such things as cultural imperatives. If a culture lacks certain particulars in the past, this does not by itself preclude a culture from

developing them in the present, or in the future. The fact is that there is a vibrant and growing human rights movement in China, and in overseas Chinese communities around the world.

Criticizing members of the United States Congress for emphasizing the Beijing regime's human rights abuses over the victims of natural calamities is wholly unjustified. I, for one, am grateful to them for continuing to insist on the protection of the rights of the Chinese people from governmental abuses.

T. L. LIN, Hong Kong.

In Search of Full Statehood

Regarding "Lest Russians Ask, 'Who Lost the West?'" by Flora Lewis (Opinion, April 10):

The writer faults President Leonid M. Kravchuk of Ukraine for being "totally focused on setting up his own state" and for his determination to create a currency for Ukraine. She concludes that Mr. Kravchuk "leaves the impression of being one of the people best suited to mislead and abuse Western help."

Why would it be unusual for a mandated leader of a nation of 53 million people to want to establish a national currency

and to work toward establishing full statehood for its citizens, fulfilling their legitimate aspirations?

Mr. Kravchuk should, in fact, be applauded for the courage and dignity he has displayed in asserting Ukraine's perspectives and rights.

BOHDAN KRUCKO, Newmarket, Ontario.

Toll of German Generosity

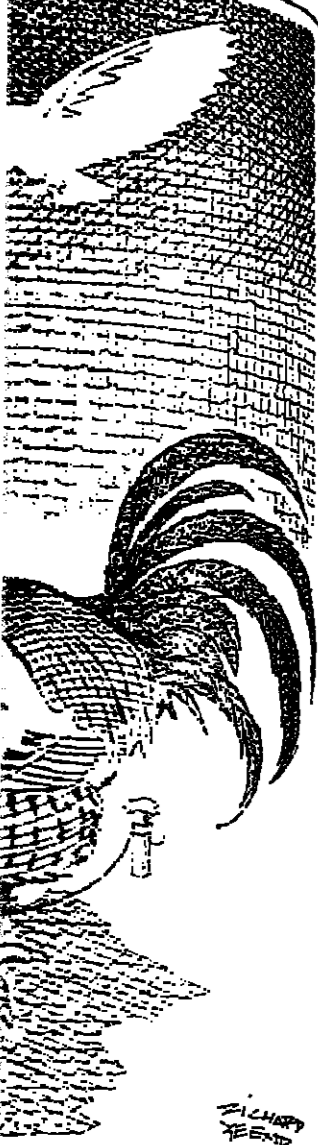
Because of the memory of past mistakes, Germany can be applauded for its attempts to stay friendly to asylum-seekers ("Germany Finds Use of Power

Stirs Painful Comparisons," March 31). But many Germans are tiring of the toll this generosity takes on the quality of life in their communities. The growing strength of the radical right is proof that Germany's current situation could evolve into one that is dangerous for everyone involved.

Revoking the right of asylum is the wrong answer, but some serious re-evaluation of the reality of the way the asylum-seekers are dealt with once they are in Germany is long overdue.

SARA MASON, Bremen, Germany.

mselves Free



play of 1954

at. Failure to ratify the treaty would isolate and marginalize France, and seriously threaten the fabric of the Western Community.

The writer is a member of the editorial staff of the International Herald Tribune.



LYNDON JOHNSON

an emerging from communism in America has found the best way to respond to the riot, the administration says it plans to use "conservative social legislation" to avoid encouraging business investment in inner cities, tenant control, public housing, choice of schools.

From Lewis.

0.75 AND 50 YEARS AGO

of Foreign Affairs cables: "I accept thanks from liberated Poland for your idea of celebrating her 50th anniversary by sending a copy of the Statue of Liberty, which she will accept with greatest satisfaction."

1942: Madagascar

LONDON — [From our New York edition.] The French island of Madagascar, fourth largest in the Indian Ocean, surrendered to the British on May 7 after two days of fighting. British warships which had been off Diego Suarez naval base, along the island's northern tip, moved into the harbor under the guns of captured French batteries. For eight hours after their landing on Madagascar, British troops smashed by dawn today through the last defenses of the Vichy garrison and naval commanders surrendered to the British, ending organized resistance to the occupation.

Advertisement for AT&T featuring a large graphic of four interlocking triangles forming a square. Text includes: 'Some companies solve every problem with the same solution. Meet one with a broader perspective.' and 'Many suppliers have one solution for an entire range of problems. So it doesn't matter to them what your particular set of circumstances are or how you see things. At AT&T, we think every company and every set of problems are unique. So before we ever recommend any course of action, we listen. Closely. Then we go back and think for a while, and consider a range of solutions.'

In Somalia, No Refuge From Starvation

With Relief Supplies Cut Off by Internecine Warfare, Untold Hundreds Die

By Todd Shields
Washington Post Service

MOGADISHU, Somalia — To reach one small piece of this country's agony, you take a squad of gunmen and drive out beyond the abandoned U.S. Embassy, through roadblocks and past looted villas, and soon you reach a Soviet-built pharmaceuticals factory.

Within the walled compound of the idle plant, fugitives from Somalia's self-destruction wait for help and watch their children die. When visitors arrive, residents pull feeble toddlers from stick-and-cardboard hovels, hoping that the mute display of destitution will call forth food from rich foreigners.

Two to five children die each day at the site, which is home to 3,000 or more refugees from fighting that began 10 months ago in the southern port city of Kismayo. There are about 100 such settlements around the city, rude havens for unarmed civilians pushed from their homes by the clan-based armies that rule Somalia.

For nearly six months the refugee camps, like the city itself, have been cut off from food as warfare and chaos stymied international relief efforts. Unaccounted hundreds, perhaps thousands, have starved. Tens of thousands of others have been killed or wounded.

In recent days, the United Nations and the Red Cross have begun importing the first significant food shipments since internecine warfare, which long had raged in the countryside, erupted in Mogadishu last November. To protect the grain, the organizations have hired small armies of mercenaries who are meant to forestall attack from the thousands of armed, hungry and ill-disciplined men who roam the streets.

The shipments are the product of tortuous negotiations in which the United Nations and Red Cross met daily for more than a month with clans, subclans, militias and families. The negotiations underscored the profound divisions in Somali society, as did the two organizations' need to hire gunmen to escort their relief convoys.

The tragedy is virtually all-encompassing. Central Mogadishu, once a gracious district of shaded streets, pastel villas and modest office towers, is now a tense and deserted no-man's land of buildings defaced by shellfire and streets laden with rubble.

Throughout the city, looters have stripped hotels, businesses and government offices to bare walls. Power lines are absent, carted away

for the value of the scrap copper they contained. Garbage festers under the tropical sun.

In the countryside, crops already stunted by a second year of drought have been burned or carried off by marauding armies. Sad clusters of peasants and nomads, victimized by gunmen of opposing clans, crowd into regional cities that are themselves without food. About 160,000 people have fled across the border to Kenya, arriving exhausted and dying by the score in squalid refugee camps. Nearly 400,000 others have fled to neighboring Ethiopia, where conditions are not much better.

In the panoply of the disaster, the people at the Soviet pharmaceuticals factory are probably typical: Relief workers say some groups are better off, and some worse.

One camp resident, Mohammed Ismay Yero, is a nurse from Kismayo who still wears his graying medical smock, as if clinging to the long-ago era of peace and normalcy, to the time before he had to leave his wife and five children in the distant port.

Mr. Ismay Yero, 45, has no news of his family. As a community elder, he leads visitors around the camp, pausing by a hut where a weakened 4-year-old stands in a soiled green dress, flanked by two older siblings. The child, Liban, blinks dully, giving scant attention to the scabrous sores on his arms. Four of his siblings already have died in the camp; a Red Cross nurse looking at Liban said he too will die soon.

The nurse, Verena Krebs, a veteran of 12 years in disaster zones, said the situation in the city is the worst she has seen. She brings medicine to the camps, not in the hopes of actually curing children hopelessly debilitated by malnutrition, but as an implicit promise that when food is available, she will bring that too.

What she saw in the camp provoked her to comment, "See these ones — they are going to die." After seeing more children, she added: "It's impossible. They're just too thin."

One day in March, Miss Krebs said, the Red Cross brought the camp 50 bags of Unimix, a special porridge-like food for malnourished children. It was stolen the next night by gunmen who stormed the factory wall.

"The men who have the guns get all the food. It's not right," said Mr. Ismay Yero.

The United Nations and the Red Cross have suffered repeated looting of their food stores in Mogadishu, with 8,000 tons disappearing from docks in one incident in January. That

was the last significant food stock in the city of 1 million or more residents.

The Red Cross, which had been the sole international agency importing grain, had already stopped handling food after one of its workers was shot and killed while distributing supplies in December.

By then, uncontrolled warfare between the two major factions in the city had rendered impossible anything resembling a normal relief operation. In mid-November, the United Somali Congress, which 10 months earlier had ejected longstanding President Mohammed Siad Barre from the capital, fell into open warfare within itself.

The fissure among clans and subclans within the United Somali Congress replicated a process well under way elsewhere in the country. The large Darod clan, of which Mr. Siad Barre is a member, is today split into factions, at least two of which are vying for control of Kismayo. Similarly, in the country's north, the large Isak clan, which in 1988 launched the large-scale warfare that would force Mr. Siad Barre from power three years later, is reported to be splitting into opposing factions.

Analysts here say the continual atomization is a legacy of strong pastoral traditions in a country populated largely by nomads, and one that had only a glancing acquaintance with the modern world and its nation-states until colonization took hold early this century. In the harsh conditions of semidesert grazing lands, loyalty to the family is the bedrock of identity, and loyalty to larger groupings such as subclans and clans is less ingrained.

Said S. Samantar, a Somali who is a professor of history at Rutgers University in New Jersey, has described the schismatic nature of Somali society.

"Modern Somali politics is nothing but traditional clan politics writ large, with the difference that the society is today armed with modern, mass-destructive weapons," he said.

Mr. Samantar and other analysts blame Mr. Siad Barre for exploiting, and thereby exacerbating, clan differences in his determination to rule. He held power for 21 years, enjoying first Soviet and then American patronage. The two superpowers supplied hundreds of millions of dollars in military aid despite repeated human rights abuses under Mr. Siad Barre's rule. Many of the weapons they supplied are used today in the country's fratricide.



ANOTHER USE FOR A TANK — Israeli children frolicking on a tank Thursday in Krayot Arbas, a Jewish settlement on the occupied West Bank, during a weapons display that was part of celebrations marking the 44th anniversary of Israeli independence.

In 1986, Bush Relayed Data to Saddam

By Murray Waas and Douglas Frantz
Los Angeles Times Service

WASHINGTON — As vice president during the Reagan administration, President George Bush acted as an intermediary in sending strategic military advice to President Saddam Hussein of Iraq at a critical point in the Iran-Iraq War, according to sources and classified documents.

The specific advice — that Iraq unleash its air force against Iran — was passed on during a trip to the Mideast by Mr. Bush in August 1986. Mr. Bush used President Hosni Mubarak of Egypt to relay the message to Mr. Saddam, according to two Bush administration officials familiar with the incident.

At the time, the Reagan administration was maintaining a public posture of neutrality in the war while secretly assisting Iraq in an attempt to stop Iran and its spreading Islamic fundamentalism.

The Reagan and Bush administrations have admitted sending Iraq intelligence data about Iranian troop movements during the eight-year conflict. However, it has not been disclosed previously that the intelligence was augmented by military advice and that Mr. Bush played a personal role in conveying the advice.

The extent of Mr. Bush's personal commitment to assisting Iraq has attracted increasing scrutiny amid revelations that U.S. aid continued long after the Iran-Iraq War and extended into his own administration. Iraq received billions of dollars in U.S. food credits and retained access to sensitive technology until the

1990 invasion of Kuwait — despite Mr. Saddam's increasing belligerence and the objections of several top-level administration officials.

A White House spokesman said he could find no information that Mr. Bush relayed the military advice to Iraq through Mr. Mubarak. In response to earlier stories in the Los Angeles Times about his role in executing Reagan administration policy toward Iraq, Mr. Bush has said he was proud of his actions and defended them as part of a strategy to contain Iran.

The U.S. advice that Mr. Saddam step up his bombing of Iran came in response to fears among Iraq's Arab allies and administration supporters that Iran was on the verge of winning the war in mid-1986, according to analysts and classified documents.

At about the same time that Mr. Bush relayed the military advice during a trip to the Middle East, Saudi Arabia shipped Iraq an undisclosed number of U.S.-made, 2,000-pound bombs, according to a classified State Department cable.

A source knowledgeable about the transfer said the Saudis sent Iraq 500 of the Mk-84 bombs along with a number of British Lightning fighter-bombers to help Mr. Saddam escalate the air war. Three sources told the Times earlier that the Saudis transferred the weapons with approval from unnamed U.S. officials.

In congressional testimony last week, Secretary of State James A. Baker 3d described the Saudi transfer as "inadvertent" and indicated that it was done without U.S. authorization. The State Department has declined to say how many bombs were involved.

One former Reagan administration official said the plan to provide secret military advice to Iraq in the summer of 1986 came as a result of "the frustration that Saddam was not properly using the intelligence information about Iranian troop movements and capabilities."

The official said it was decided to expand the intelligence sharing to military advice at meetings of an interagency advisory group, known as Contingency Pre-Planning Group. The group included officials of the National Security Council and assistant secretaries of various agencies, such as the State and Defense departments.

Iran had launched a major military offensive against Iraq earlier in 1986 and U.S. intelligence analysts believed that Mr. Saddam had to be persuaded to unleash his air force to fend off the attacks. But analysts said Mr. Saddam was reluctant to carry out a sustained bombing campaign because he was hoarding his air resources.

Using Mr. Bush to urge Mr. Saddam to conduct a more aggressive air war was discussed at a meeting of the interagency planning group July 23, 1986, according to a secret State Department account of the session. Mr. Bush was embarking on a 10-day trip through the Middle East July 25, including stops in Saudi Arabia and Jordan as well as a meeting with Mr. Mubarak in Cairo.

"We have encouraged the vice president to suggest to both King Hussein and President Mubarak that they sustain their efforts to convey our shared views to Saddam regarding Iraq's use of its air resources," said the account.

U.K. Kin of 'Friendly Fire' Victims Vent Anger

Reuters

OXFORD, England — Angry relatives of nine British soldiers who were killed by U.S. "friendly fire" during the Gulf War jostled and harangued an American official Thursday at an inquest into the deaths.

Witnesses said the unnamed man, believed to be a U.S. observer, had to be escorted to a car when he left the court during an adjournment after relatives pursued him to demand why no U.S. witnesses would testify.

The official was pushed and grabbed, and relatives of the dead men shouted "cover-up!"

The official repeatedly said that he could not comment.

The nine soldiers were killed in the Iraqi desert on Feb. 26, 1991, when a U.S. A-10 anti-tank plane fired at two British armored vehicles.

Families of the victims said they were disappointed that U.S. authorities had declined to send witnesses to the inquest, in particular two A-10 pilots.

"It has been a cover-up right from the beginning. I want the truth to come out. Justice has been denied so far," said Barbara Thompson, whose son was among those killed.

Geoffrey Robertson, a lawyer representing the families, said it was vital that the two pilots should appear to clear up "staggering discrepancies" between U.S. and British accounts of how the men died.

He told the inquest a number of statements given by the Americans "simply could not be true."

The inquest is the third attempt to establish the precise circumstances of the deaths after separate British and U.S. inquiries gave different versions of what happened.

The inquest is expected to last several days.

The jury must decide how the men died but cannot apportion blame.

It can return verdicts of unlawful killing, death by misadventure, accidental death or an "open" verdict.



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PHILIPS

A Lone Hunger-Striker Builds Pressure on Thailand Regime

By Philip Shenon
New York Times Service

BANGKOK — Thailand's newly appointed government is under siege by a slight, grim-faced man who sits calmly on a thin straw mat set on the pavement outside the parliament building, saying through his supporters that he expects to die of starvation within a week.

The protester, Chamlong Srimuang, is Thailand's most popular politician, and the hunger strike he began Monday, saying it was to the death, has threatened to bring down the nation's new prime minister, General Suchinda Kraprayoon.

In what he described as his "last letter," Mr. Chamlong, a retired army major general and ascetic whose reputation for incorruptibility makes him the exception in Thailand's scandal-plagued political system, said, "I will fast until General Suchinda resigns or I die."

Chamlong, who is the leader of the Power of Virtue political party, said he would fast without accepting glucose, saline water, medical checks or any other

treatment. "Through this form of hunger strike, I may survive not more than seven days," he said.

[Mr. Chamlong collapsed Thursday and was taken by ambulance to a square away from the crowds where he could breathe more easily, political sources in Bangkok told Reuters. It was not immediately clear what condition Mr. Chamlong was in, but he apparently intended to keep up his protest.]

Prime Minister Suchinda, the former supreme military commander and the architect of last year's coup, has been intensely criticized since he broke a long-standing promise and accepted appointment last month as a non-elected prime minister, heading a five-party coalition government loyal to the military.

The prime minister did little to improve his public image when he appointed a 49-member cabinet that included 11 ministers who had been charged with graft by a military-appointed investigation committee formed after the February 1991 coup.

General Suchinda has insisted repeatedly that he will not step

down, even if Mr. Chamlong dies. The decision could be taken out of General Suchinda's hands by his former colleagues in the military. The nation's supreme military commander, Kasat Ratanakul, has refused in recent days to rule out the possibility of another coup, saying the armed forces might have to step in if "the country is chaotic."

In an ominous statement Thursday, the military warned against further mass protests over the appointment of General Suchinda, saying "the demonstrations should stop — we're warning every one of you."

The death of Mr. Chamlong could well inspire just the sort of chaos the military says it fears, especially in Bangkok, where Mr. Chamlong, the city's former governor, is revered for his honesty and his strict adherence to Buddhist precepts.

In the letter released to his supporters, Mr. Chamlong said he did not harbor "any personal grudge" against General Suchinda, but that it was wrong for any non-elected person to be named prime minister.



Fellow legislators greet Chamlong Srimuang across from the parliament in Bangkok. Mr. Chamlong, 56, collapsed later Thursday, the fourth day of his hunger strike. The popular former governor of Bangkok said, "I will fast until General Suchinda resigns or I die."

ASIAN TOPICS

Jakarta Blacks Out U.S. Rioting on TV

Indonesian state television has not shown any film of the Los Angeles riots. Doing so could incite trouble in the sprawling archipelago, according to Ishadi, the state television director. "I consider newsreels of the race riots improper for broadcasting here," he was quoted as saying in a local newspaper on Tuesday.

Mr. Ishadi told the afternoon daily Jawa Pos that the government network does not run programs that could cause disruption. Indonesia has more than 13,000 islands, populated by diverse ethnic, linguistic and religious communities. The country has strict laws against inciting communal tensions.

Indonesia also has warm relations with Washington, which expressed only muted criticism when Indonesian soldiers shot and killed up to 180 people in the East Timor capital of Dili in November.

Around Asia

Two Chinese men have been sentenced to prison for selling the pelt of a panda, an endangered species that China regards as a national treasure, according to the Wenhui Bao newspaper of Shanghai. Wu Huiyuan was sentenced to 12 years for buying from poachers — who are being prosecuted separately — and attempting to sell the panda skin. Wang Shube was given an eight-year term for helping arrange to sell the hide, the paper said. They were arrested Dec. 4 at the Peace Hotel in Shanghai as they were accepting 200,000 yuan (\$36,360) for the pelt. The report did not make clear if the person who had arranged to buy the skin was working with authorities or if police discovered the deal and moved in as the sale was being made.

Kuni Tatsuma, 79, widow of a manufacturer of sake, Japan's traditional rice wine, was Japan's top income taxpayer last year at \$30 million. Most of her wealth, like that of 86 of the country's top 100 taxpayers, came from property deals, according to a report by the national tax administration agency. Mrs. Tatsuma's actual income was not disclosed.

Arthur Higbee

In the Afghan Capital, Lots of Governors but Not Much Government

By Edward A. Gargan
New York Times Service

KABUL — At least four separate bodies are claiming the authority to govern this devastated city and, by virtue of their presence in the capital, all of Afghanistan.

The emergence of so many governing entities has made it difficult to determine who is exercising power in Kabul, whose orders are being carried out, indeed, which of the competing authorities retains credibility among the heavily armed guerrilla armies that will decide the fate of this country.

The confusion has been aggravated by

a series of on-again, off-again rocket attacks on the city by fighters from the Islamic Party, a rebel group led by the hard-line fundamentalist, Gulbuddin Hekmatyar. Mr. Hekmatyar, who has been excluded from all governing bodies, has said that he will attack the capital if he is not allowed to become prime minister.

At the moment, a shaky cease-fire is in effect here, with negotiators from various Islamic parties attempting to persuade Mr. Hekmatyar to temper his demands and to join in the new government. But with so many councils and committees insisting that they speak for the new Afghan government, it is doubtful that commitments made by one body will be embraced by the others.

One week ago, a new government was announced with Sibghatullah Mojaddidi, a former scholar of Islam and leader of a largely ineffective guerrilla force, declaring himself acting president, employing the classical Persian term "mowlahi," roughly meaning "stand-in," to describe his position.

Mr. Mojaddidi surrounded himself with 31 commanders, religious figures and intellectuals whom he described as the governing council of the Islamic State of Afghanistan. It was from this body that the acting president selected minist-

ters for the new government. Among the other bodies are a security committee formed in the first days of the occupation of Kabul led by a powerful guerrilla commander, Ahmad Shah Masoud. This committee is charged with security for the capital, and drove in Mr. Hekmatyar's troops from the city.

In part, Mr. Hekmatyar's intense hostility toward the current rulers in Kabul stems from his antipathy toward Mr. Masoud, a northern Tajik who has done better than he has in battle.

Mr. Hekmatyar, a Pashtun chieftain who in the past has allied himself with Pashtuns in the former government in an

effort to orchestrate a lightning coup in Kabul, also has declared that he wants the Uzbek militia troops loyal to General Rashid Dostum to leave the city.

There is, finally, a committee of commanders, an undefined, but potentially powerful body made up of the actual military leaders of all political parties and regional guerrilla forces. It is not clear how large the membership of this body is, or to what extent it represents commanders across Afghanistan. But, in the view of diplomats here, the commanders' committee could very well emerge as the ultimate arbiter of how power is distributed in Afghanistan.

Many diplomats here see the proliferating authorities as a severe threat to the two days of peace here, and even more, potentially destructive to the country's future unity.

Even on the governing council set up by Mr. Mojaddidi, there are members who refuse to talk or shake hands with each other. Should these deeply held resentments and hatreds bubble up, either within the formal government, or between the various bodies vying for control of Kabul, some diplomats here foresee a renewal of prolonged warfare within Kabul, eventual civil war and the balkanization of the country.

U.S. Accuses Chinese of Conspiring With Textile Firms in Trade Fraud

By James Bennet
New York Times Service

NEW YORK — Federal prosecutors here have accused Chinese officials of conspiring with two American companies to defraud the United States of more than \$100,000 in duties on imported textiles and clothing.

Prosecutors said the criminal indictment Wednesday was the first to be brought in a broad continuing investigation of alleged conspiracies to evade duties and bypass import quotas by shipping

textiles made in China through other countries, like Pakistan. In all, such schemes may have involved \$2 billion worth of goods last year, officials said.

[China issued a terse response Thursday to the U.S. allegations, saying it seeks a "just settlement" in the case. The Associated Press reported from Beijing. "This matter is still under investigation and we hope that a fair and just settlement will be found to this question," a Foreign Ministry spokesman, Wu Jianmin, said.]

The case follows a long and bruising fight between the Bush administration

and congressional critics over China's favorable trade status.

In March, President George Bush vetoed a bill that would have linked that status to cooperation from Beijing on issues like human rights and weapons exports.

With the trade status up for renewal again this summer, the fraud case gives the administration a prime opportunity to portray itself as tough on China. Underlining its attention to the case, the administration sent Customs Commissioner Carol Hallett to New York to an-

nounce the indictments in person on Wednesday.

The charges announced Wednesday were contained in an indictment issued by a grand jury in U.S. District Court in Manhattan on Tuesday. The indictment details two conspiracies to defraud the U.S. government, both of which date to 1988.

Prosecutors said that in the first conspiracy, aimed at the Customs Service, Sunlight International Inc., a New York sales agent, joined with its chief client and owner, a Chinese textile manufacturer

called China Jiangsu Knitwear & Home Textiles Import & Export Corp., to understate the value of T-shirts and other goods brought into the United States in order to avoid duty payments of about \$120,000.

A U.S. importer of Chinese textiles, C&H West Merchandising Inc. of California, is charged with participating in the conspiracy.

China Jiangsu, based near Shanghai, serves as a provincial trade agency for the Beijing government, Ms. Hallett said. Prosecutors said it was unclear, however,

whether the central government or maverick provincial bureaucrats were behind the scheme.

In the second conspiracy, officials of Sunlight and China Jiangsu tried to hide much of Sunlight's income from the Internal Revenue Service, prosecutors said.

The first hints of the investigation came in September and December, when Customs and Internal Revenue Service agents executed 139 search warrants on import and marketing business nationwide.

Fashion In the Trib

Every week, on the International Herald Tribune's Style page, fashion editor Suzy Menkes presents a fresh and timely report of the latest fashion developments from all over the world.

In March and October, when the fashion world gathers in Paris for the spring and fall collections, the IHT presents an up-to-date report on the designers' latest creations in the Fashion Special Report.

Every spring and fall, the IHT takes an in-depth look at fashion news in Italy in the Italian Fashion Special Report.

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GREECE AND THE NEW EUROPE

ATHENS, MAY 21 - 22, 1992

A major conference co-sponsored by the American-Hellenic Chamber of Commerce and the International Herald Tribune

MAY 21	MAY 22
09.00 CHAIRMEN'S OPENING REMARKS	13.15 Luncheon Andreas Papandreu, President of the P.A.S.O.K. Party
09.10 KEYNOTE ADDRESS Andonis Samaras, Former Minister of Foreign Affairs, Greece	15.00 THE NEW SHAPE OF EUROPE Anthony Sampson, Journalist & International Writer, London
09.45 GREECE, THE EC AND THE EUROPEAN INVESTMENT BANK Hans Durborg, Vice President, European Investment Bank	15.30 GREECE AND THE BALKANS Filip Dimitrov, Prime Minister of Bulgaria Vasso Papandreu, Commissioner for Industrial and Social Affairs, EC Cavik Caglar, Minister of State, Turkey Ivan Puskarov, Minister of Industry & Commerce, Bulgaria Endre Juhasz, Secretary General, Ministry of International Economic Relations, Hungary Lazaros Eftimioglou, Member of Parliament, Greece Gerassimos Arsenis, Member of Parliament, Greece Theodoris Lavridis, President, Hellenic Association of Young Entrepreneurs
10.15 HOW WELL IS GREECE CONVERGING WITH OTHER WESTERN ECONOMIES? Maria Damarnaki, President of the Left Coalition Party, Greece Miltiadis Evert, Member of Parliament, Greece Gerassimos Arsenis, Member of Parliament, Greece Theodoris Lavridis, President, Hellenic Association of Young Entrepreneurs	17.30 BUSINESS CO-OPERATION IN THE BALKANS Professor T Vutchev, Governor, Bulgarian National Bank Marian Crisan, Governor, Rumanian Bank for Development Eftimia Pylarinou, Governor, Hellenic Industrial Development Bank Erdal Kabatepe, President, Turkish-American Businessmen's Association, Istanbul Leonid Tsovet, Undersecretary of State, Ministry of Trade & Tourism, Rumania
11.30 Coffee	18.00 Closing Dinner Constantine K Mitsotakis, Prime Minister of Greece
12.00 DENATIONALIZATION AS A MEANS OF DEVELOPMENT Andreas Andrianopoulos, Minister of Industry, Energy, Technology & Commerce, Greece Dr John Psarouthakis, Founder & Chairman, J P Enterprises Inc, USA	09.00 FOREIGN POLICY ISSUES George Vassiliou, President of the Republic of Cyprus Costas Simitis, Member of Parliament, Greece Dora Bakoyanni, Member of Parliament, Greece Grigoris Yiannaras, Member of Parliament, Greece
13.00 GREECE IN THE 21ST CENTURY Rector Demetre Conostas, Panion University of Social & Political Sciences, Greece	10.00 MEDITERRANEAN COUNTRIES AND EMU Luis Angel Rojo, Deputy Governor, Banco de Espana, Madrid Dr Frans Limburg, Chief Economist, ABN AMRO Bank, Amsterdam Giles Keating, Chief Economist, Credit Suisse First Boston Limited, London
	11.00 Coffee
	11.30 IS GREECE READY FOR EMU? J F Pons, Director General for Economic and Financial Affairs, EC Dr Miranda Xafa, Economic Advisor to the Prime Minister of Greece George Protopoulos, Deputy Governor, Bank of Greece
	12.15 THE SOCIAL DIMENSION Zygmunt Tyszkiewicz, Secretary General, UNICE, Brussels Philip Xenophon Pterros, Member of the European Parliament Lambros Kanellopoulos, President, Confederation of Greek Employers' Organizations Yiannos Papantoniou, Member of Parliament, Greece
	13.30 Luncheon Gianni De Michellis, Minister of Foreign Affairs, Italy
	20.00 Closing Dinner Constantine K Mitsotakis, Prime Minister of Greece

CONFERENCE LOCATION: Hotel Athenium Inter-Continental, Tel: (30 1) 90 23 868, Fax: (30 1) 92 17 653

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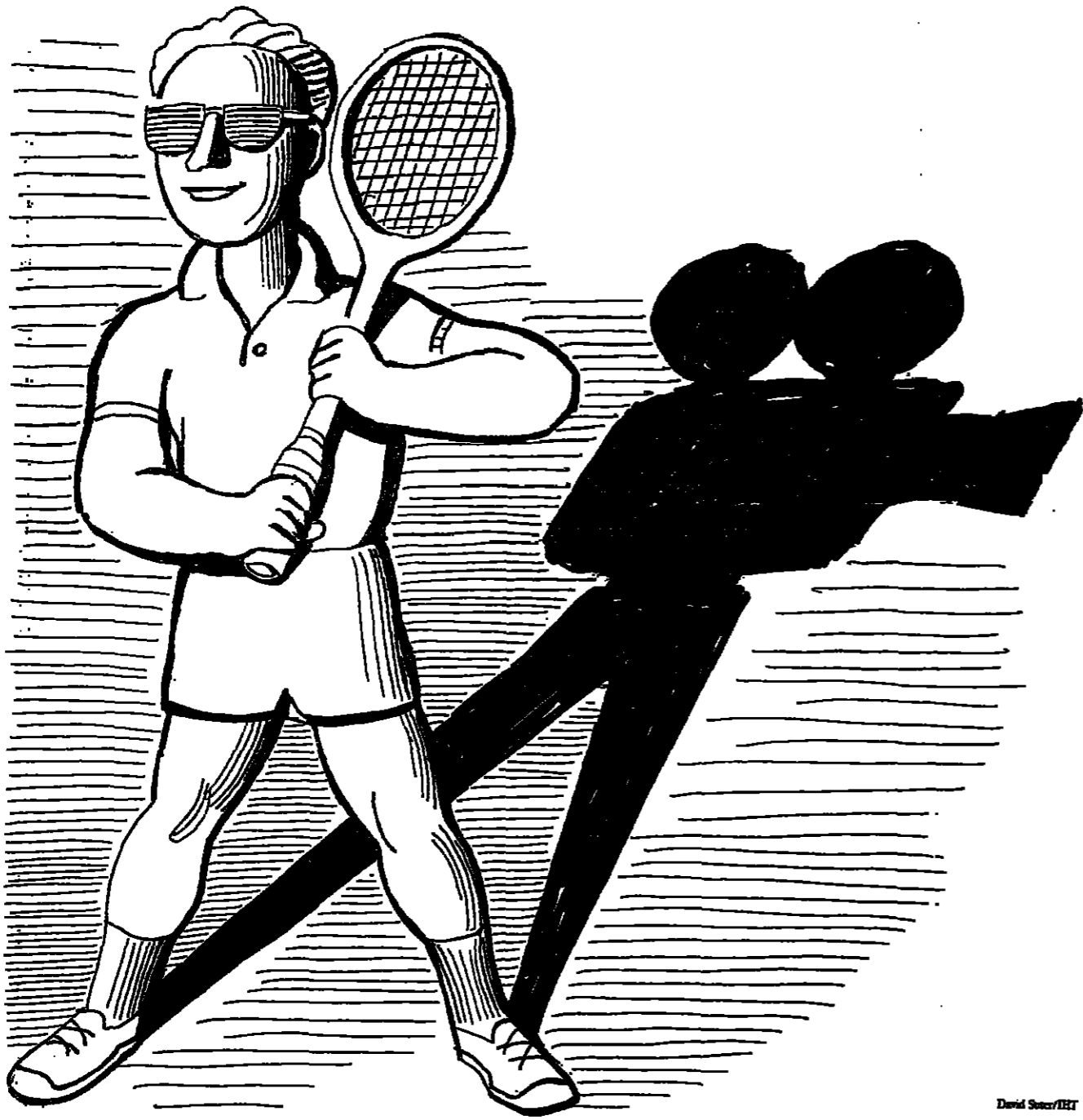
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David Sauer/ART

Cannes Festival: What's New?

By Joan Dupont

CANNES — It's pronounced with a long drawn out a, like a sigh — Cannes is on. Stop everything for the next couple of weeks and say tuned for news from Cahannes, this mythical kingdom where limos cruise the Croisette like phantoms, revealing just enough of their mystery stars — an aloof blond profile, a flash of sunbaked shoulder — to keep the crowds hungry.

The festival, all about images, promotes its own first: TV cameras track the sinuous beaches, do a dance over the starlets, and zoom in on Michael Douglas and Gérard Depardieu, triumphant, tuxedoed heroes fresh from their action adventures, as they mount the red-carpeted stairs of the Palais des Festivals. The crowd rumbles, the band strikes up, and it's all transmitted live.

Of course, when you say you've come to Cannes to work, nobody believes you: they've seen TV, they know that you're really living it up in Babylon. Hollywood husbands come with their tennis rackets — not their wives, and parties start at midnight. There are two forces operating — heavenly and unholy — as you can see from the weather that veers dramatically from magic, sunny moments to sudden downpours, retribution for so much carefree pleasure.

This year the festival director, Gilles Jacob, has decided to project Cannes's more sensational — more Hollywood? — side by pitching Paul Verhoeven's sex thriller "Basic Instinct" to the public on opening night. "Basic Instinct" is in competition at this grand, exclusive festival with a French accent!

"Our board has decided we should start with a bang and put an emphasis on entertainment," he declared, socking it to the cinéphiles who come for their annual cure in screening rooms that provide sustenance more special than sunshine. For Cannes is, after all, the place where you can see films — the far-flung, the fresh crop, the works in progress. And it looks as though after long years of dedication to alternative cinema — Antonioni, Bergman, Buñuel, Wajda — the festival is backing something simpler, cheap

thrill cinema, that hardly needs to win a Golden Palm to bring in big money.

Jacob's policy is a sign of hard times: the films that can't make it on video may not get made in today's industry. The two big image manufacturers in recent years have been the United States and France; it used to be a tug-of-war; now it's no contest.

Not just the big Hollywood movies, but the American independents have seduced the Cannes public. Over the last three years the Golden Palm has gone to Steven Soderbergh's "Sex, Lies and Videotape," David Lynch's "Wild at Heart" and the Coen

prance like stars, passing each other with glazed smiles of nonrecognition, scanning the horizon for something better.

Life's small ironies are forgotten here, and everybody is forgiven. Roman Polanski, the parish, was reincarnated as jury president last year; this year's president, Depardieu, used to be a beach boy around these parts; Luc Besson's "Le Grand Bleu," ridiculed by the critics, is back as the name of the new Blue Bar, the in-spot at the Noga-Fillon, the latest of Cannes's palatial hotels; Dutch Paul Verhoeven, once treated like an obscure Third World auteur, now zizzes down the fast lane, a high-powered Hollywood piece of work. The festival's favorite directors are, perhaps inevitably, dead directors, especially those who were belittled and overlooked. Among those offered tributes this year are Orson Welles, John Cassavetes and Salyagin Ray just made it. Marlene Dietrich, whose face adorned this year's poster, died just before the festival opened.

When you say you've come to the festival to work, nobody believes you.

brothers "Barton Fink," which won so many awards that the board has written in a new ruling that prevents a film from accumulating prizes. Although half of the films in competition are coproduced by France, even some of these are English-language cross-breeds.

If this once-great melting pot is no longer the focal point for an alternative cinema, what use is it? It is doubtful that the festivalers lose sleep over such matters; they have to get back on the beach where contacts are made, contracts prepared. What would they do if a gloomy, hard-hitting, powerful, morally and artistically original work were to turn up? Vitaly Kanevsky's "An Independent Life" promises to be such a dark vision, but where is the jury that would bestow a Golden Palm on a dark vision?

The festival reflects the phased-out glamour of the '90s — gaudy and sloppy. Beach beanies let olive oil from the salad niçoise dribble down their breasts; the glitziest push and shove over the buffet at the Majestic Beach. Nobody notices that the beautiful people behave like barbarians because it has become banal, the way to be; even the small fry — the paparazzi, press agents et al. —

A few prudent filmmakers chose to stay away from a carnival that can become a carnage. When Jean-Jacques Bènaïx came with "The Moon in the Gutter" — even his producer seemed content to let it sink right there — the trauma was considerable, so now Bènaïx is depriving the festival of its latest film — Yves Montand's last role — and the kind of reverential pomp it loves.

Turning back the clock is a popular pastime — Madonna and Marilyn, Brigitte and Ginas pop up all over town. It's a bit eerie, but part of the greatest show on earth. The invitations have gone out for those legendary parties — too bad there's no Japanese film in competition this year, that great sushi spread will be missed. One cream-colored invitation, tendered by the French Socialist Party, has a decidedly unflattering look: "Quelles Perspectives pour la Cinéma Français?" it asks plaintively. But Whither French Cinema is not exactly a titillating theme. The Socialist Party may be the one party that can't make any splash in the competition.

Joan Dupont is a Paris-based writer specializing in the arts.

The Vogalonga, Venice's Long Row

By Roderick Conway Morris

VENICE — At 9 o'clock on Sunday, May 17, a cannon will boom out over the waters in front of St. Mark's Square and 2,000 rowers in 600 or so boats will bend their backs to set out on the Vogalonga, Venice's annual aquatic marathon.

The Vogalonga — meaning "Long Row" in Venetian dialect — was launched in 1975 as a protest against the inexorable rise of motor traffic in the lagoon, the damage that pollution, wash and noise were inflicting on buildings and the natural environment, and to encourage the preservation of the centuries-old rowing skills and traditions. For the duration of the event powered boats are banned, including public water buses. An eagerly awaited occasion in which everyone, young and old, can take part, the Vogalonga is a dramatic and festive beginning to the rowing and racing season, and an annual celebration of the city's identity.

The first two Vogalongas were, if anything, a little too spectacular. In 1975, when for the first time the hundreds of tightly bunched boats rounded the point into a narrow channel at the far eastern end of the city, the scene turned into a re-enactment of the Battle of Actium, as oars clashed and boats collided. "Curses, invitations to take rowing lessons, apologies and mutual accusations of incompetence" filled the air, according to the local rowing writer Antonio Mauro, and oars were unsportingly used for rowing purposes.

The following year, hardly had the armada got going under a drizzling and overcast sky before a violent storm hit the lagoon, sweeping its suddenly heaving waters with driving,

icy rain. Some boats foundered, others battled their way to islands or sand banks, or lashed themselves to *bricole*, the wooden piles marking the channels. Miraculously, thanks to the acts of personal courage and the rescue services, nobody was drowned, and a "happy few" even managed to complete the course (the scrolls and medallions awarded to every rower to reach the finish being regarded, from that year, not so much as sporting souvenirs as decorations for valor).

Every kind of traditional lagoon craft takes part in the Vogalonga, from gondolas and *caorine* (six-oared fishing barges) to skiffs used for wildfowl hunting in the marshes. Apart from rowing clubs and private entrants, there are also crews representing shops, banks, insurance companies, the fire brigade, the Venice opera house and religious orders. Scores of other oar-driven boats, including sculls, whalers, kayaks and Indian canoes, many from other parts of Italy and abroad, swell the ranks (the Cambridge University crew among them in the inaugural year).

The 32-kilometer (20-mile) course goes from St. Mark's Basin to San' Elena, at the east end of the city, then on to the cluster of islands — Burano, Mazzorbo, Torcello — in the north of the lagoon, and back via the glassblowers' island of Murano and through the Camarogio and Grand canals to St. Mark's Square. The fit and determined can, depending on the wind and weather, complete the circuit in one and a half to two hours, the less athletic or ambitious taking up to five or more. Last year's oldest participant was Aldo Narduzzi, 81, an old lagoon hand.

Although the Vogalonga is emphatically a noncompetitive occasion, subtle rivalries

emerge as local clubs try to improve their times, and individuals, duos and teams, limbering up for the new regatta season, flex their muscles in preparation for the big meets. An amusing sideshow is the dawn vigils to be first to register and be issued with the coveted No. 1, usually hotly disputed between the Jewish Club in the Ghetto and the Capuchin Friars of the Redentore church, but captured this year by a group campaigning for Venetian autonomy.

REFRESHMENTS are offered by philanthropists at various stages on the route, the most picturesque being at the halfway point on the canal running through the island of Mazzorbo. Here a bright red Coca-Cola barge doles out soft drinks, while a few yards away along the quay, local fishermen park a raffish, bacchanalian boat draped with nets dispensing fried fish and generous draughts of white wine. Seeing boats imperiously surging past the first temptation and performing emergency stops at the second is a memorable sight.

It is well worth being on the waterfront between St. Mark's Square and San' Elena to watch the start. Afterward, to see the rowers return, the Camarogio Canal, with its spacious quays on either side, enthusiastic local crowd, not to mention waterfront bars (watching exhausted rowers can be thirsty work), is a good vantage point. A final tip: trattorias all over the city tend to get packed at luncheon with the returning heroes and heroines and their well-wishers, so it's best to book a table in advance.

Roderick Conway Morris is based in Venice and writes for The New York Times and The Spectator.



Two thousand rowers are expected to compete in this year's Vogalonga.

THE MOVIE GUIDE



Mel Smith, Bob Nelson and John Turturro, a zany trio in "Brain Donors"; at right, Peter Coyote in "Exposure."

Brain Donors

Directed by Dennis Dugan. U.S.

This is a short, reasonably snappy attempt at nothing less than a present-day Marx Brothers comedy, with a cigar-waving John Turturro mugging furiously in the main role. Turturro can't beat Groucho, but he can toss off criminally bad jokes and shameless double entendres with charming abandon. In this attempt to do for ballet what the real Marx Brothers did for opera, Turturro is Roland Flakfizer, an ambulance-chasing lawyer angling to control the prestigious Oglethorpe Ballet Company by sweet-talking Lillian Oglethorpe, a patron of the arts. (Nancy Marchand appropriately plays this as the Margaret Dumont role.) Flakfizer is aided in his efforts by two other stooges, Jacques (Bob Nelson) and Rocco (Mel Smith), who

appear to have watched just as many vintage smart-talking, slapstick comedies as he has. The gags are low and sometimes sophomoric, but they're seldom without at least some small spark of wit. By the time an actor in a duck suit appeared among the dancers, followed by duck hunters and a pack of hounds, the audience was just giggling enough to share the filmmaker's idea of a mindless good time. (Janet Maslin, NYT)

Minbo no Onna
Directed and written by Juzo Itami. Japan.

The director of the popular "Tanpopo," having earlier taken on death and taxes, now turns to another facet of Japanese life: the *yokusa*. And here comes our Girl Friday, Nobuko Miyamoto again, to fix everything up. She is a lawyer specializing in civil cases (*minji*) against violence (*boryoku*) — a

real *minbo* woman who saves a big hotel from extortion and blackmail. She is also a comedienne and so her director-husband surrounds her with funny stereotypes, packaged people, lots of frantic action, and a relentless regatta score to show how funny it is. The trouble with comic-strip comedy, however, is that it is unavoidably predictable. We appreciate the Capra-like message ("Men — stand up to threats!"), but we've seen it coming from real one. Despite all the energy and some really sleazy gangster types, this disappointingly plastic product doesn't travel very far. (Donald Richie, JET)

Exposure
Directed by Walter Salles Jr. U.S.

This hokey thriller about an American photographer in Brazil, is not exactly, um, focused. In adapting his own Chand-

leresque novel for screen, writer Rubem Fonseca was unable apparently to part with a single subplot or arcane reference. A tale of drugs, death, despair and social decay, it is all over the emotional map of Rio de Janeiro, not to mention parts of Bolivia. Peter Coyote stars as man of the world Peter Mandrake, a coffee-table-book photographer shooting the lurid street life in Rio. He is obliged to give up his emotional neutrality when one of his models is murdered most cruelly. To protect himself and punish his attackers, he becomes a master knife-fighter under the tutelage of Hermes (Chucky Karyo), an enigmatic drug dealer whose life he once saved. Coyote may be as expressive as a mood ring, but he is no hard-boiled noir hero. Salles, a documentary maker, has no flair for fiction, judging by this gratuitously gory debut. (Rita Kempley, WP)

The Communist Elite Slept Here

By Marc Fisher
Washington Post Service

OSTSEEBAD DIERHAGEN-STRAND, Germany — Oh, what times they must have had here, East Germany's Communist elite at play, pudgy old men tossing around the medicine ball, taking a dip in the indoor pool, gathering around the video player to watch one of those Hollywood flicks the masses could not be trusted to see.

They would come for weeks at a time in summer, or just for a few days in winter, their black limousines sweeping along the country roads, past the police checkpoints and down an unmarked street, to their hideaway nestled in the dunes by the Baltic Sea.

The Guest House of the Council of Ministers of the German Democratic Republic, it was called in those days, a private home for the very existence of which was a state secret.

Today, it is the Hotel Fischland, which bills its "extravagant appointments" as a "documentation of history." This was the paradise the workers did not know about, a place where the full-time staff of 76 kept track of the every wish of each honored guest.

When Egon Krenz, the party boss who was the country's leader when the Berlin Wall fell in 1989, stayed here, as he did every year until the bitter end, he would send orders for a "calorie-reducing diet." He also let the staff know he expected to be served — at every meal — *Bratherring*, rolled, breaded herrings soaked in oil and served chilled. When you were in the Council of Ministers, you could demand diet food and *Bratherring* at the same meal, and no one would laugh — ever.

I visited the Fischland for a couple of days and found a hotel filled with western Germans thrilled to be treated with the same care that the leaders of East Germany had received. Eastern Germans could not dream of staying at a place that charges \$150 a night. (In the old days, the state paid for everything except a token 2.50 mark fee, the equivalent then of about 15 cents.)

Privately, the hotel staff — held over from the old days but chopped in half now that the idea is to make a profit — would rather have the old guests back. "They didn't act like they knew everything and we were the idiots," said one desk clerk. "These westerners think the sun revolves around them."

The guest house, built in 1968, is a four-story spread of fake marble and glass designed to impress with sweeping spiral staircases, 15-foot (4.6-meter) walls of pine paneling and doors spotted with colored glass disks.

My room, the kind a deputy minister might have been assigned to, was immense, an apartment equipped with the finest the East bloc could offer — crystal glasses, central heating, color television, stereo, a selection of books.

And not just any books. Ministers who spent their workdays poring over the minutiae of party congresses and secret police reports needed a break and could find one at the seaside, where the thoughtful staff provided them with Henry Miller novels, an array of Soviet literature, poems to Third World solidarity and picture books documenting the achievements of East German athletes at the 1972 Olympics.

Just off the lobby is a game room equipped with an imitation Mr. Pac-Man video game called TV-Ideal, and a weight room where the shelves are stacked with 24 medicine balls.

The hotel was fully booked on my second day, and the manager, Norbert Warning, told me I would have to move from the apartment to a suite. "It is not a step down, I assure you," Warning said as he opened a thick pine door marked with a single Roman numeral.

"Apartment 1," he announced in a stage whisper, ushering me into a suite of Trumpian proportions, previously occupied by Prime Minister Willi Stoph, Krenz and other heroes of Communism from East Germany and such allies as the Soviet Union, Poland, Laos and Angola.

APARTMENT 1 is 1,300 square feet (120 square meters) of reserved splendor, formerly reserved exclusively for Politburo members. No gold-plated bathroom fixtures here, but a collection of luxuries unfathomable in a country where ordinary people still hand coal into each room and shovel it into stoves for heat: heated towel rods, a Communist version of the boom box, a mini-bar, TV remote control (the largest, most clumsy I've ever seen, but for the East bloc, remarkable nonetheless) and Venetian blinds that rose and fell at the touch of a button (although eastern technology couldn't quite handle this concept: The controls are huge and chunky, the motor louder than the average auto engine).

Apartment 1 won't be around much longer. By autumn, the guest house — now the property of the unified German government, like nearly everything that belonged to the Communist Party — is expected to be sold for about \$4 million to the western German company now leasing it.

"We haven't got hit our break-even point in any given month," said Warning, who after 18 years here, says he has never worked so hard in his life. "It's been exciting. But now, we are all fighting for our jobs. Every day you have to be thrilled even to have a job. I hope they let me stay."

HEAR THIS

This is for all the children who were disgraced by their first visit to the hairdresser: A Florida woman won \$2,500 in damages from a hairdresser who was supposed to frost her hair and somehow caused half of it to fall out. UPI tells us. Missy Freshour, who is 33, had to undergo what her lawyer, Thomas Kingscade, called emergency protein treatments. Freshour's husband, Dennis Hernandez, said: "I think it's taken a great toll on her. It's a nightmare when she tries to fix her hair. She can't do anything with it." Who says there are too many lawyers in the United States?

THE SURVEY

The Taste of France's Southwest

By Patricia Wells
International Herald Tribune

PARIS — The "baby bistro" trend has now become firmly entrenched in Paris as chefs figure out a way to attract the faithful to their grand restaurants when the pocketbook allows, and keeping the same people coming for casual, less expensive meals.

(\$15) lunch menu and 105-franc dinner menu remain bargains. All the wines are less than 100 francs a bottle, and most are available by the glass or half-bottle.

A well-aged Cahors. Equally excellent is the moist and meaty fricassée de poulet, served with a generous side portion of tomme potatoes (gratiné artichokes), with their surprising flavor, half artichoke, half potato.

Send Flowers, Take a (Big) Chance

By Jean Rafferty

PARIS — "How did you like the white lilies?" asked the London antique dealer of the Parisian woman who was pursuing "Lillies," she sniffed.

Fresh flowers have never been more alluring and abundant, floral design never more imaginative. But in Florida and New York, Paris and London, Honolulu and Sydney — in fact, everywhere one asks — people are complaining that when they say I With Flowers, the bouquet that arrives does not always speak their language.

When people think of ordering flowers, they often think of floral chains. By far the largest is Interflora, founded in 1910, a network of 60,000 independent florists in 140 countries.

STORIES abound. A bouquet of "roses and white flowers" that Caroline House sent from London to her sister in Bristol arrived in "pinks and purples, all clashing colors. They were such hideous flowers. I don't know what they're called. But they did give her a laugh."

The Sydney-based French fashion executive Nicolas Feuillatte, who was in a Paris clinic for an operation, watched in horror as a gigantic bouquet, sent by well-meaning Australian friends, was plopped on the end of his bed.

Interflora, an emphasis on filling the order the same day means that, if the receiving florist does not have the requested flowers in stock, he is authorized to make his own interpretation, substituting flowers of equal value.

Just how expensive may depend not only on the country you're in, but on which florist you talk to. Calls to three florists, in Paris's 16th and 17th arrondissements, for an order of two dozen roses to be sent from Paris to a funeral in southern France produced three different prices: 808 francs, 820 francs, and 680 francs.

Even a rose is not always a rose. Florist Jean Borniche of Florentin, in the Parisian suburb of Neuilly, doesn't remember the destination in the southern United States, but he does recall the rage of a proud new grandfather whose 500-franc (S\$90) order of roses arrived at his daughter's bedside mistaken into an arrangement of a Teddy Bear, a balloon and plastic — not fresh — flowers.

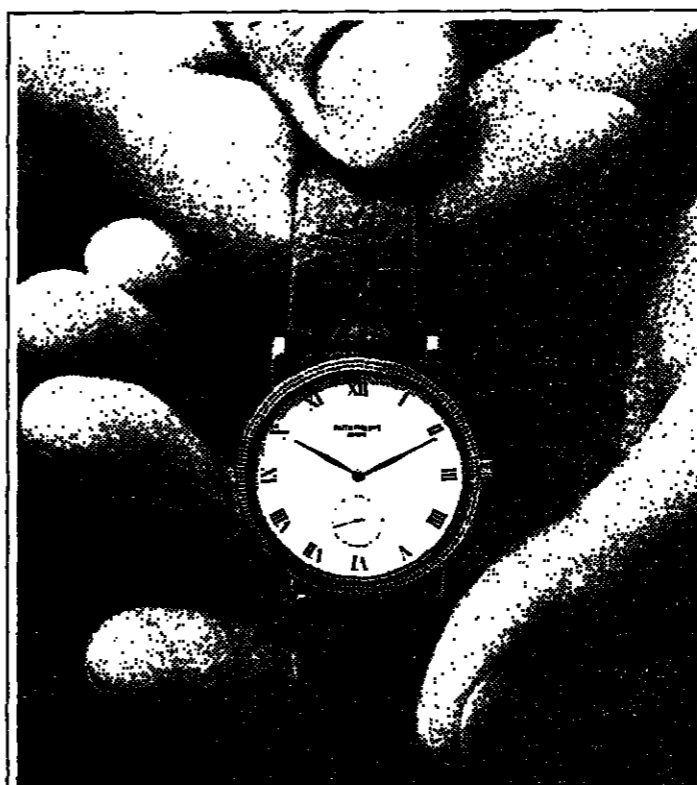
THE ARTS GUIDE: FESTIVALS



Mikhail Rostropovich will be in Evian (left); Kent Kagano will perform in Aix-en-Provence (right).

- AUSTRIA: Linz Brucknerfest, July 12 to Oct. 4. Tel: 732221. Concerts include Luciano Berlioz and Franz Schubert.
- FRANCE: Aix-en-Provence Festival d'Aix-en-Provence, July 13 to 31. Tel: 42.17.34.34. Operas include "Don Giovanni," "A Midsummer Night's Dream," "The Barber of Seville," "The Marriage of Figaro," "Porgy and Bess."
- GERMANY: Berlin Festival, July 2 to 27. Tel: 49.30.25.48.90. Fax: 25.48.91.11. Concerts by the Berlin Philharmonic, the Staatskapelle and visiting orchestras, piano recitals, chamber music.
- NETHERLANDS: Amsterdam Holland Festival, June 1 to 30. Tel: 627.65.66. Fax: 620.34.58. Russian music concerts (June 12, 13, 28, 29); performances of Lutz Nono's "Prometeo" (June 17, 18, 19).

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- DOWN: 1 Skiers' mecca, 2 Artist Joan, 3 False god, 4 Write, 5 From a Latin, 6 From Manhattan, 7 Took five, 8 Purple-skinned fruit, 9 Flu type, 10 Arles essent, 11 Polvre's companion, 12 ... all that was pleasant, 13 Goldsmith, 14 A k a C sharp, 15 Sluice, 16 Fraser of tennis, 17 Beyond's partner, 18 Bronx attraction, 19 Taken for (done in by the mob), 20 Phobic beginning, 21 East or west attachment, 22 Zeno's porch, 23 Swelling, 24 Author Anya, 25 Williams of Hollywood, 26 Warbled, 27 Rosa, 1988 Olympics star, 28 Write, 29 Lomé is its capital, 30 From Manhattan, 31 Kind of bat, 32 German river, 33 The Four Seasons' director, 34 Abound, 35 Ab (from the start).

Word search puzzle grid with clues and solutions.

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FRENCY RATE

Table with columns for various regions (EUROPE, NORTH AMERICA, SOUTH AMERICA, ASIA, AUSTRALIA) and exchange rates for different currencies.

FLY ASIANA TO SEOUL BANGKOK LOS ANGELES TOKYO SINGAPORE HONG KONG TAPEI

The Jewel of Asia Asiana

WALL STREET WATCH

Putnam Readers Learn To Profit From Distress

By Susan Antilla New York Times Service

NEW YORK — When it comes to profiting from other people's problems, there's no place like Wall Street.

Mr. Putnam's monthly investment publication recommends the stocks and bonds of distressed companies that the markets may have undervalued, including enterprises in bankruptcy or with other troubles.

The universe of candidates for Mr. Putnam's newsletter has greatly expanded since the corporate boom of the 1980s went into a tailspin.

Stocks of ailing companies often march to their own drummer.

Because prices of distressed securities can swing way up as well as down, the performance of Mr. Putnam's newsletter has bobbed up and down as well.

Mr. Putnam's 1989 performance was also a disappointment, Mr. Hulbert said, down 5.9 percent, compared with a 31.6 percent gain in the S&P 500.

Investors lured by Mr. Putnam's favorable long-term results should keep in mind that the stocks and bonds of ailing companies have distinctive characteristics.

Under the umbrella of its investment firm, New Generation Research, based in Boston, Mr. Putnam recommends both stocks and bonds.

Mr. Hulbert said, based on the performance of companies that are actually in Chapter 11 bankruptcy court proceedings, preferring to wait for new shares to be issued when companies emerge from bankruptcy with their finances reorganized.

"Stay away from a stock once it goes into bankruptcy," he warned. "There is almost never enough value left over once the senior creditors get satisfied."

Other Dollar Values

Table with columns: Country, Currency, Par \$, Current, Par \$, Current, Par \$, Current

Forward Rates

Key Money Rates

Asian Dollar Deposits

U.S. Money Market Funds

GOLD

O&Y Swap: Equity for Forbearance

Compiled by Our Staff From Dispatches

LONDON — Olympia & York Developments Ltd., the world's largest real estate concern and until lately one of the most secretive, on Thursday offered a plan to restructure most of its \$12 billion debt that could force the company to go public and give banks up to 20 percent of its equity.

Banks have not decided if they will accept the offer, said Gerald Greenwald, O&Y's president. The Canadian real estate company asked for a five-year deferral of principal payments, and said it would make up missed interest payments with nonvoting common shares.

O&Y said it would offer lenders up to 20 percent of itself, plus up to 30 percent of its Canary Wharf office complex in London. Lenders were asked to commit an additional \$540 million to Canary Wharf, the largest office complex in Europe.

Under the proposal, O&Y would have the right to repurchase its shares at a price set by an as-yet undecided formula that would compensate banks for their investment as well as deferred interest payments.

The company said it presented a long-term restructuring proposal to 15 principal creditors. It incorporates five-year business plans for each of its major operations, cash-flow estimates for the United States, Canada and Britain, and the debt restructuring.

The main O&Y creditor banks include Canadian Imperial Bank of Commerce, Hongkong & Shanghai Banking Corp., Barclays Bank and Citibank.

Initial reaction from one leading bank was cool. An executive, speaking on condition he was not identified, was worried about the extra cash sought for Canary Wharf, located in the Docklands development area.

News of the rate cut sent French stocks soaring. The CAC 40 blue-chip index closed at a 21-month high of 2,063.40 on Thursday, up 16.25 points from Wednesday's close.

The cut in rates was applauded by the French Banking Association, which said: "Credit for businesses is going to be cheaper. That is a considerable factor which will help economic recovery."

French short-term rates have been high since late last year, the result of the Bundesbank's determination to combat wage inflation and rising public deficits with high German interest rates.

Investors had speculated that the French authorities could reduce short-term interest rates following the half-point cut in British bank base-lending rates earlier this week.

Within the European Monetary System, Christopher Potts, economist at Banque Indosuez, said the fact that the Bank of France had decided to encourage a fall in bank rates without reducing the intervention rate was a sign of France's continuing commitment to keeping the franc strong against the mark.

It's another indication of the general change of policy we've seen this year, of tying the French franc closer to the mark, Mr. Potts said.

Economists said that while there could be a cut in French official rates in the next few weeks if the franc remained strong, the currency might still need to rise further against the mark before the French authorities would risk such a move.

Mr. Sapin said that the move should be seen against the backdrop of an initiative "to create the right conditions for more sustainable growth, growth richer in job creation, in Europe."

He said EC finance ministers would discuss the initiative at their meeting in Oporto, Portugal, on Friday and Saturday.

The minister also said, in an interview published Thursday in the business daily Les Echos, that a united initiative by the European countries would allow them to put pressure on the United States and Japan to take matching action.

"We will be in a stronger position to ask Japan and the United States to make their contribution to growth if Europe itself has taken some initiative," he said.

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Volvo in Talks With Renault About a Merger

By Roger Cohen New York Times Service

PARIS — The French automaker Renault SA and Volvo AB of Sweden, already tied by a 1990 alliance, are discussing the possibility of a full merger, officials of the two companies said Thursday.

Such international mergers have often been reviewed in the past by carmakers in Europe as a means to cut costs and streamline production in the continent's intensely competitive auto market.

There was no firm indication that the current Renault-Volvo talks would fare any better. But Kirster Joranson, a spokesman for Volvo, said that "our alliance can only go in one direction, toward intensified cooperation and a possible merger, and that is what the current talks are about. There is no way back."

Christine Rare, a spokeswoman for Renault, confirmed that discussions were taking place "on an evolution and closing of the Volvo-Renault relationship." However, she stressed that no decision had been taken.

In 1990, Renault and Volvo formed an alliance under which the state-owned French company took a stake of 45 percent in Volvo Truck Corp., 25 percent in Volvo Car Corp. and 8.24 percent in Volvo

AB, the holding company. Volvo, which is a private-sector company, in turn acquired a stake of 20 percent in Renault SA and 45 percent in Renault's truck operations.

Since then, officials of both companies said, the alliance has worked better than expected. Economies have proved greater than foreseen; and even under the current arrangement, Volvo says it would be saving more than \$650 million a year by the end of the decade through joint use of chassis, motors, gearboxes and other components.

Last year, Renault had a net profit of 3.08 billion francs (\$567 billion), on sales of 166 billion francs, while Volvo earned 882 million kroner (\$115.5 million) on sales of 77.2 billion kroner. On Thursday, news of the merger talks boosted Volvo's unrestricted 3 shares by 6 kroner, to 428 kroner.

Of the six major automakers in Europe — the others are Volkswagen, General Motors, Fiat, Peugeot and Ford — Renault has the smallest market share, with 10.9 percent in the first quarter of this year. Volvo, whose production is aimed principally at the small luxury segment, has 1.6 percent of the market.

Because the European auto market is so fragmented — the top six are bunched between Renault's 10.9 percent share and Volkswagen's 17 percent — auto executives and analysts have long argued that an effective merger could give the combined company an important competitive advantage. But no industry is as potent a national

See MERGER, Page 14

France Acts to Let Interest Rates Fall

Compiled by Our Staff From Dispatches

PARIS — The Bank of France acted Thursday to cut French industry's borrowing costs, allowing Finance Minister Michel Sapin to take the moral high ground when he asks his European counterparts this weekend to do more for growth.

The central bank reduced the amount of reserves that the major banks have to leave with it, and the banks responded by cutting their base rates by half a percentage point, to 9.85 percent.

"It's a very astute move, a backdoor easing of monetary policy consistent with the franc fort policy" of ensuring a strong French franc, said David Brown, economist at Swiss Bank Corp. Stockbroking.

Investors had speculated that the French authorities could reduce short-term interest rates following the half-point cut in British bank base-lending rates earlier this week.

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IBM Japan Tells Workers to Ease Up

International Herald Tribune

TOKYO — While the chairman of International Business Machines Corp., John F. Akers, admonished employees last year for "standing around the water cooler waiting to be told what to do," IBM Japan is asking its staff not to work so hard.

To aid workers unfamiliar with the concept, the company will set up a "Vacation Help Desk."

By prodding workers to leave their desks more often, IBM Japan joins a host of other major Japanese corporations that, with government encouragement, are trying to lighten the load of a work force that clocks the longest hours of any major industrialized nation.

Pressured by peers to stay in the office and lacking recreational options common in the West, employees often do not take the paid holidays they are entitled to. Karoshi, or death from overwork, has become an issue in the courts.

IBM Japan wants to reduce annual working hours to 1,873 this year, from 1,923 last year, and to boost average paid leave to 17 days from 14 days in 1991.

Along with other major companies, it plans to curtail working hours to 1,800 by 1994.

The official number of hours put in by employees at IBM Japan is below average for major Japanese corporations, but specialists caution that the amount actually worked is much greater because many overtime hours go unreported.

According to a poll by a private Japanese company, Recruit Research, business executives and civil servants last year averaged 451 hours of overtime, 200 hours more than that reported to the Labor Ministry. About 25 percent of Japanese said they were not paid for overtime.

While the government and corporations have worked up employee welfare in encouraging shorter working hours, the moves are also aimed at saving money by reducing overtime. IBM Japan, which is expected to show a big dividend in profit this year for the third year running, cut senior executives' pay and froze the salaries of around 300 managers in January.

U.S. Defends Lock on Keys

Computer Firms Want Coding Freedom

By John Markoff New York Times Service

NEW YORK — In a digital age that finds much information protected by elaborate coding techniques, who should hold the keys to the codes?

Not the U.S. government, say members of an increasingly militant computer and software industry. Apple Computer Inc., Microsoft Corp. and Sun Microsystems Inc. are among the companies vowing to oppose federal efforts to keep tight control on the use of coding technology, known as encryption.

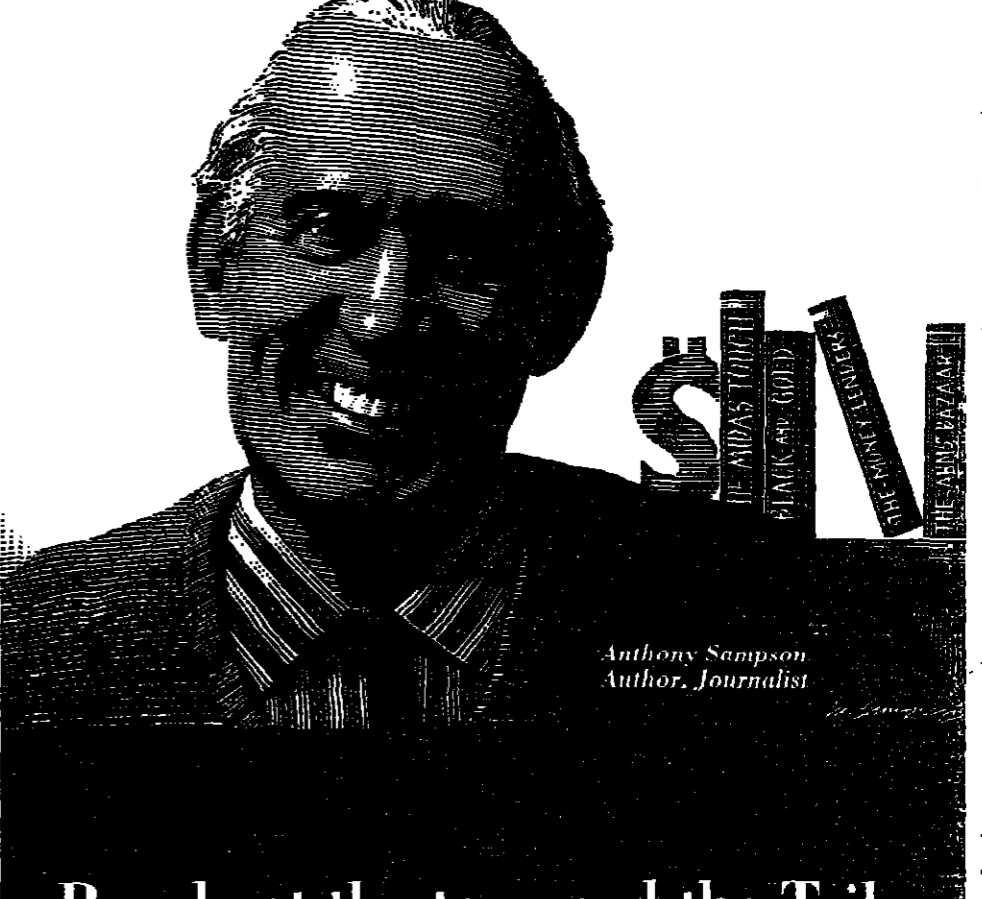
"There is really no way to control this technology," said Nathan P. Myhrvold, vice president for advanced technology at Microsoft. "All regulations do is hurt people who are trying to be law-abiding, and it's a nightmare for business users who are trying to protect information."

Once a tool only of diplomats, the military and spies, advanced encryption techniques have become available to anyone with access to computer chips.

Nowadays, virtually all information can be translated into digital form and protected with electronic codes — whether it is a cellular telephone conversation, electronic memo, medical record, corporate payroll, television program or cash from an automated teller machine.

Advances in computer hardware and programs have made these codes virtually uncrackable to anyone not knowing the precise string of letters or numbers that represents the key.

Since the first computers appeared in the 1940s, old-line manufacturers such as International Business Machines Corp. have traditionally cooperated — however grudgingly — with security and law-enforcement officials to keep computer codes out of the wrong hands and the keys in the right ones.



Anthony Sampson Author, Journalist

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REPRESENTATIVE

ITALY

HOUSE IN TUSCANY

ON LETTINGS

FOR SALE

MARKET DIARY

Treasury Auction Depresses Stocks

NEW YORK — Stocks slipped Thursday on the New York Stock Exchange, depressed by lighter-than-expected demand at the final leg of the Treasury's \$30 billion quarterly refunding were announced.

Traders had expected an average yield of 7.99 percent. In addition, bidders from the New York Federal Reserve district bought 98 percent of the issue, above the historical average of 93 percent. That suggests primary dealers own a disproportionate amount of the issue.

Stocks are overextended, and they should fall tomorrow with release of the employment report, said Michael Metz, investment strategist at Oppenheimer & Co. Economists estimate, on average, that nonfarm payrolls rose 70,000 in April, and that the unemployment rate was unchanged at 7.5 percent.

Gap Inc. gained 1 1/2 to 4 1/2 after reporting a 13 percent increase in same-store sales in April, while J.C. Penney rose 1/4 to 6 3/4 after posting a 14.5 percent rise. Sears fell 1/4 to 42 after posting a 2.1 percent drop in same-store sales for April.

Key U.S. government securities declined after results of the third and final leg of the Treasury's \$30 billion quarterly refunding were announced.

"Demand in the Treasury auction was slightly below what traders expected, and stocks stumbled on the news," said Richard Meyer, head of institutional trading at Ladenburg, Thalmann & Co.

The Treasury sold \$10.044 billion.

Bundesbank's Inaction Gives Boost to Dollar

NEW YORK — The dollar rose against major foreign currencies on Thursday after the Bundesbank decided not to raise German interest rates, but dealers said the gains were capped by a surprise decline in the money supply.

The German inaction had ramifications elsewhere in Europe. After the Bundesbank meeting concluded, the Bank of France cut bank reserve requirements to 1 percent from 4.1 percent. French banks followed, reducing base rates to 9.85 percent from 10.35 percent.

"The French were waiting for the outcome of the Bundesbank meeting," said Charles Spence of First Interstate Bank.

The move did little damage to the French currency, with the mark edging up to 3.3676 francs from 3.3655.

The pound, meanwhile, rose to about 2.9361 DM, from 2.9276 on Wednesday. With the Bundesbank holding its position, sterling shrugged off the British interest rate reduction on Tuesday. Many traders reported strong buying from funds around the world.

The dollar, meanwhile, was quoted at 132.60 yen, up from 132.25 on Wednesday, and it rose to 1.5088 Swiss francs from 1.4975 and to 5.5060 French francs from 5.4845.

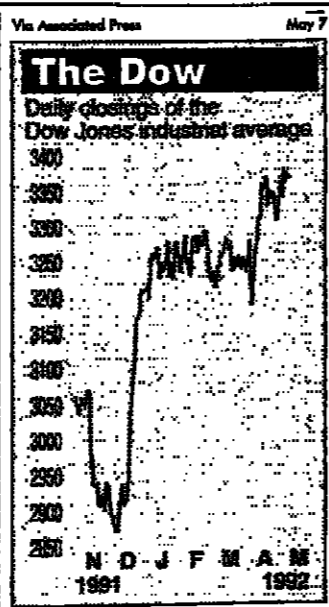


Table titled 'Dow Jones Averages' showing various market indices like S&P 500, NYSE, and NASDAQ with their respective high, low, and change values.

Table titled 'NYSE Most Active' listing the top trading stocks on the NYSE such as IBM, AT&T, and General Electric.

Table titled 'NYSE Diary' providing a summary of market activity and trends for the day.

Table titled 'Amex Diary' providing a summary of market activity and trends for the American Stock Exchange.

Table titled 'NASDAQ Diary' providing a summary of market activity and trends for the NASDAQ market.

Table titled 'Dow Jones Averages' showing a summary of major market indices.

Table titled 'Standard & Poor's Indexes' showing various market indices from Standard & Poor's.

Table titled 'NYSE Indexes' showing various market indices from the NYSE.

Table titled 'NASDAQ Indexes' showing various market indices from the NASDAQ.

Table titled 'AMEX Stock Index' showing various market indices from the American Stock Exchange.

Table titled 'Dow Jones Bond Averages' showing various market indices for bonds.

Table titled 'Market Sales' showing various market sales data.

Table titled 'NYSE Odd-Lot Trading' showing odd-lot trading data for the NYSE.

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Table titled 'S&P 100 Index Options' showing options data for the S&P 100 index.

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Table titled 'EUROPEAN FUTURES' showing various European futures contracts.

Table titled 'Food' showing various food-related futures contracts.

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Retail Sales Show Signs of Recovery

NEW YORK (Combined Dispatches) — Cold weather again nipped into sales for the biggest U.S. retailers in April but the business showed more signs of recovery from the recession, figures released by the merchants showed Thursday.

Sears, Roebuck & Co. reported its sales at stores open at least a year fell 2.1 percent, while overall sales dropped 3.9 percent. Kmart Corp. said its same-store sales rose 5.5 percent, while overall sales were up 10.9 percent.

Separately, initial claims for unemployment rose by 11,000 during the week ending April 25, the Commerce Department reported, but the numbers may have been skewed by lower figures during the previous Easter week. The weekly figures are considered a pointer to the crucial monthly employment figures which will be published Friday, when financial markets expect a small increase.

Siemens to Buy 50% Stake in Rolm

SANTA CLARA, California (Bloomberg) — Siemens AG said Thursday it would acquire the 50 percent stake in Rolm Corp. held by International Business Machines Corp., its partner in the joint venture.

Terms were not disclosed. Rolm makes PBX and telephone sets, and holds about 18 percent of the U.S. market. Siemens, which bought a 51 percent share in Rolm in 1989, said it would buy IBM's stake by the end of its financial year on Sept. 30.

Hughes in Talks on Missile Maker

DETROIT (Reuters) — General Motors Corp. said Thursday that it is in talks with Hughes Electronics Corp. unit with negotiating with General Dynamics Corp. in connection with General Dynamics' interest in selling its missile operations.

"We're confirming that we're in negotiations," a GM spokesman said. Chairman William Anders of General Dynamics said earlier this week that the company was in the "final stages" of talks to sell its missile business.

Republic Offers to Revive Orion

NEW YORK (AP) — Republic Pictures Corp. made a bid Thursday to revive Orion Pictures Corp., less than a month after Orion's creditors spanned a takeover bid by New Line Cinema Corp.

Under the latest proposal, Republic would give Orion's creditors \$40 million in cash and receivables on the books as of Nov. 30; a senior secured interest-bearing note of \$150 million, and 10 percent of the common stock of the combined company.

Greenspan Criticizes Bank Reform

CHICAGO (AP) — The chairman of the Federal Reserve Board, Alan Greenspan, sharply criticized a recent bank reform law on Thursday, saying it added too many regulations to an overregulated industry and could push shaky banks out of business.

Mr. Greenspan had been largely silent on the Federal Deposit Insurance Corp. Improvement Act of 1991, but he said Thursday it "regrettably falls short of expectations."

For the Record

MGM-Pathé Communication Corp. was auctioned off to its largest creditor, Citibank, for \$483.49 million. As expected, there were no other bidders.

The New York Times newspaper truck drivers voted in a decision that could lead to a major labor battle, have rejected contracts with the newspaper and a wholesale newspaper-delivery company.

Kmart Corp. said it had bought a majority interest in one of the largest department stores in Prague and would become the first U.S. general retailer in Czechoslovakia.

Foreign Exchange

1.6287 DM on Wednesday, but it was far below its high of 1.6387.

A half-penny drop came after the Federal Reserve Board reported the M-2 measure of the U.S. money supply, which includes cash plus deposits in checking, savings and bank money-market accounts, fell \$9.7 billion in the week that ended on Monday. A modest rise of about \$1.8 billion had been expected.

This overcame much of the gain on relief that the German central bank did not decide to push its interest rates higher. But analysts said such a move might come in two weeks, at the next council meeting.

That conviction was reinforced by news the German government offered a settlement of a little more than 5.4 percent raises to end the current strike.

IMF Pact With Poland to Be Delayed

WARSAW — An International Monetary Fund official on Thursday said a planned agreement with Poland would be delayed following the resignation of Finance Minister Andrzej Olechowski.

Michal Deppler, head of an IMF team that began aid talks in Warsaw on Monday, said that negotiations would last longer than expected and that an initial pact expected to be reached on Tuesday would not be achieved, the PAF news agency reported.

WORLD STOCK MARKETS

Table titled 'WORLD STOCK MARKETS' showing stock market data for various international markets including Amsterdam, Brussels, Frankfurt, London, Milan, Sao Paulo, Singapore, Stockholm, and Toronto.

Table titled 'WORLD STOCK MARKETS' showing stock market data for various international markets including Paris, Tokyo, Zurich, and other regional markets.

U.S. FUTURES

Table titled 'U.S. FUTURES' showing various U.S. futures contracts including Grains, Metals, Livestock, and Financial.

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Lloyds Won't Drop Midland Bid, Though Regulators Disappoint

Compiled by Our Staff From Dispatches

LONDON — Lloyds Bank PLC said Thursday it was not prepared to abandon a proposed counterbid for Midland Bank PLC, although its main condition — equal regulatory treatment — was not immediately being met.

The EC Commission said that it would only be reviewing a friendly, £3.3 billion (\$3.9 billion) offer for Midland by Hongkong & Shanghai Bank Corp.'s holding company, and that the proposed £3.7 billion counterbid by Lloyds for the British bank would not fall within its jurisdiction but within that of Britain's Office of Fair Trading.

The British office can decide to refer such bids to the Monopolies and Mergers Commission if it feels they warrant a full-blown investigation on competition grounds.

Were the Lloyds bid to go to the monopolies commission, however, the British suit might be put at a disadvantage, because that body takes far longer to decide on whether a takeover should be allowed than the EC does.

The Commission is obliged to give an initial assessment within one month of being informed of a bid, while the monopolies commission is usually given at least three months to conduct its inquiry and can often take longer.

A spokesman for the Office of Fair Trading denied reports Thursday that a decision to send the Lloyds bid to the commission had already been

made. "We are looking at Lloyds as a bid in contemplation," the spokesman said.

When it announced its proposed counteroffer for Midland last week, Lloyds said a key condition was that the offer would get the same treatment by EC and British regulators as the offer from HSBC Holdings PLC. But Sir Leon Brittan, the EC competition regulator, said Thursday that the HSBC offer fell under the EC's jurisdiction, while Lloyds' proposed offer did not.

Lloyds issued a brief statement saying: "We note that Sir Leon Brittan's ruling is based on information currently available." It added that Lloyds was "still in the process of making submissions to all appropriate regulators" and that Sir Leon's statement "doesn't affect the steps we are currently engaged in."

Separately, Midland said its board had decided to turn down Lloyds's request for confidential information about the bank. "In the absence of the reasonable prospect of a firm offer" from Lloyds, it "is not in the interests of Midland shareholders and customers" to provide Lloyds with the information, Midland said.

"Lloyds is one of Midland's three principal competitors in the U.K. banking market," Midland said. "Unless Lloyds makes an offer for Midland which succeeds, Midland expects to continue competing vigorously with Lloyds."

(Reuters, A.P., Bloomberg)

Germany Maintains Key Rates

Reuters

FRANKFURT — The Bundesbank held interest rates steady Thursday, but dealers and economists said the central bank had not fully quashed speculation of a tightening of German monetary policy.

"It may just have been postponed," said a Citibank currency trader, Manfred Totzauer, of an interest-rate increase some foreign dealers had predicted before Thursday's Bundesbank meeting.

"The speculation could return," said Hermann Ransperger, the chief economist of Berliner Handels- & Frankfurter Bank.

The Bundesbank left its discount lending rate unchanged at the record 8 percent level that has prevailed since last December. The Lombard emergency-funding rate, usually the ceiling for short-term German money market rates, was held at 9.75 percent.

German traders had doubted the Bundesbank would fly in the face of international opinion and push up interest rates just when other countries were trying to reduce them. Nevertheless, German shares rose slightly when news of the Bundesbank's decision reached the markets. Currency and bond markets hardly reacted.

The Bundesbank had already signaled firmly on Wednesday that there was no chance of a decline in its interest rates in the immediate future. Its president, Helmut Schlesinger, reminded bankers in Berlin that Germany's 4.5 percent inflation rate was unacceptable.

It will be growth in M-3 money supply that will most interest markets in coming weeks, dealers and economists said. M-3 jumped nearly 10 percent in March, well above the 1992 target for growth of between 3.5 percent and 5.5 percent for the third month in a row.

BP Profit Pummeled By Weak Economies

Compiled by Our Staff From Dispatches

LONDON — Low crude oil prices and a weak world economy battered British Petroleum Co.'s profitability in the first quarter, the company said Thursday, adding that conditions were not expected to rapidly improve.

On a replacement-cost basis, which does not include changes in the value of oil held in storage, first-quarter profit tumbled 81.8 percent, to £95 million (\$170.4 million), from £521 million in the first three months of 1991.

On a historic-cost basis, which includes inventory-value changes, BP had a £61 million loss, compared with a £10 million profit in the 1991 period. It was the first time the company reported a loss, although the replacement-cost valuation is considered a more accurate indicator of an energy company's performance.

The historic-cost result was near the low end of analysts' expectations, which ranged from a loss of £80 million to income of £20 million, but the £95 million replacement-cost income was above the predicted £71 million to £80 million.

Sales for the latest three-month period, excluding transactions among BP subsidiaries, fell 3.7 percent, to £7.8 billion. Profit margins were weakest in the United States, BP said, and chemicals were unprofitable because of "substantial overcapacity" in key sectors.

Despite the poor results, BP held its dividend steady at 4.3 pence per share. When asked why, David Simon, deputy chairman and chief operating officer, said, "We have made a judgment that we are at a turning point in the recession." But he said the position was "finely balanced."

Earlier, however, BP said, "The outlook for the next few months suggests conditions will be just as difficult as in the recent past."

BP's cash outflow was £544 million; the dividend cost £227 million. Because of the drain, BP had to increase its debt. Short-term borrowings rose £624 million, boosting the debt-to-equity ratio to 85.4 percent.

North Sea spot oil prices averaged \$17.96 per barrel in the latest quarter, down from \$20.64 a year earlier. (Reuters, AFX, Bloomberg)

Investor's Europe		London	Paris
Index	Change	FTSE 100 Index	CAC 40
Frankfurt	+1.2	2,700	1,200
Amsterdam	+0.5	1,500	4,000
Brussels	+0.8	1,800	3,500
Madrid	+1.5	1,200	2,800
Lisbon	+0.2	1,000	2,500
Stockholm	+0.1	1,100	2,600
Copenhagen	+0.3	1,300	2,700
Helsinki	+0.4	1,400	2,800
Tallinn	+0.5	1,500	2,900
Riga	+0.6	1,600	3,000
Vilnius	+0.7	1,700	3,100
Warsaw	+0.8	1,800	3,200
Budapest	+0.9	1,900	3,300
Prague	+1.0	2,000	3,400
Bratislava	+1.1	2,100	3,500
Belgrade	+1.2	2,200	3,600
Sofia	+1.3	2,300	3,700
Bucharest	+1.4	2,400	3,800
Thessaloniki	+1.5	2,500	3,900
Athens	+1.6	2,600	4,000
Istanbul	+1.7	2,700	4,100
Ankara	+1.8	2,800	4,200
Nicosia	+1.9	2,900	4,300
Jerusalem	+2.0	3,000	4,400
Tel Aviv	+2.1	3,100	4,500
Beirut	+2.2	3,200	4,600
Damascus	+2.3	3,300	4,700
Cairo	+2.4	3,400	4,800
Algiers	+2.5	3,500	4,900
Tripoli	+2.6	3,600	5,000
Nairobi	+2.7	3,700	5,100
Accra	+2.8	3,800	5,200
Abuja	+2.9	3,900	5,300
Lagos	+3.0	4,000	5,400
Harare	+3.1	4,100	5,500
Windhoek	+3.2	4,200	5,600
Maputo	+3.3	4,300	5,700
Luanda	+3.4	4,400	5,800
Maputo	+3.5	4,500	5,900
Maputo	+3.6	4,600	6,000
Maputo	+3.7	4,700	6,100
Maputo	+3.8	4,800	6,200
Maputo	+3.9	4,900	6,300
Maputo	+4.0	5,000	6,400

Sources: Reuters, AFP, International Herald Tribune

SWAP: O&Y Offers Equity to Banks in Debt Deal

(Continued from first finance page)

rial Bank of Commerce to the Canary Wharf project is included in the 20 percent equity offered in the parent.

Mr. Greenwald said negotiations with banks were expected to continue for weeks and he believed any short-term financing requirements of either the company or the Canary Wharf project would be met by the banks while these talks continue.

He said the proposed five-year plan included provisions for sales of Olympia & York nonproperty

assets, but he declined to specify any details as the plan incorporates flexibility to achieve realistic prices.

On Tuesday, O&Y said it planned to sell its 18 percent stake in Santa Fe Pacific Corp., the U.S. railroad and mining company. The stake is worth more than \$400 million.

On Wednesday, O&Y announced it had retained First Boston Corp. to help it sell its 25.4 million shares of Home Oil Co. of Calgary, a 63 percent stake, which could raise \$400 to \$420 million.

Because these and other assets

were purchased at higher prices than they now would fetch, O&Y's chief strategist, Paul Reichmann, has been reluctant to dispose of major holdings, although he has gone ahead with smaller asset sales.

O&Y currently is owned by Mr. Reichmann and his brothers, Albert and Ralph.

Kersi Doodha, analyst at Maison Placements Canada Inc., said there was now a "significant change in policy direction" at O&Y, which he called a good sign.

(Bloomberg, Reuters, AFX, AP, NYT)

Vodka to Flow, Freely

Compiled by Our Staff From Dispatches

MOSCOW — The Russian government has formally freed prices of vodka as part of its aggressive pro-market reforms but retained the state monopoly on production dating back to czarist times, the Tass news agency said on Thursday.

Under a new decree, any state-owned enterprise can make vodka and pure alcohol, in an effort to increase scarce supplies. Price ceilings will be abolished, but the government will maintain excise and value-added taxes.

The government also abolished the state monopoly on the production of wine and beer, throwing the field open to private enterprise.

Since czarist times, the vodka monopoly has been a leading source of revenue, and economists have blamed Mikhail Gorbachev's 1985 anti-alcohol campaign for helping to break the state budget. Since then, home-brewed liquor is estimated to have exceeded state production.

(Reuters, AFP)

Very briefly:

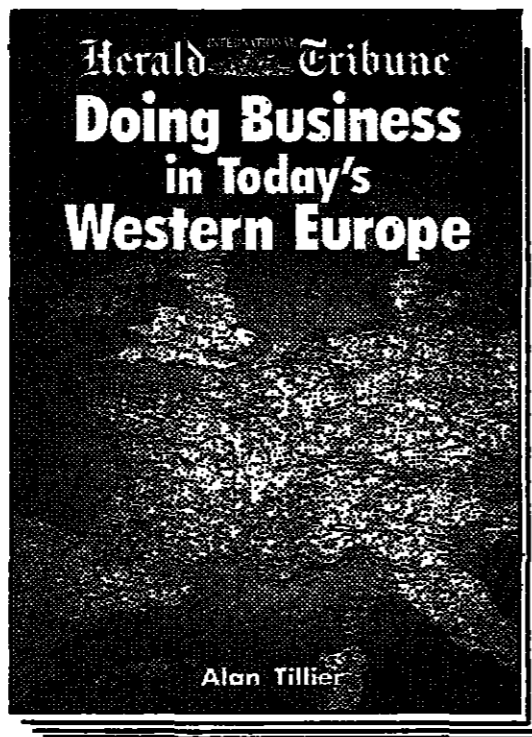
- Instituto Nacional de Industria, the Spanish state-owned industrial holding company, plans to cut 3,000 jobs, or 2.1 percent of its work force this year, with half the cuts in mining and the rest in steel and defense.
 - DAF NV, the Dutch truck maker, plans two new lines of heavy trucks for the European market that will meet the strictest emission standards.
 - Cyprus will link its pound to the European currency unit within a few months; the pound currently is worth 1.72 Ecu (\$2.16).
 - Galeries Lafayette SA, the French department-store chain, said first-quarter sales rose 88.6 percent, to 7.28 billion francs (\$1.32 billion), reflecting the consolidation of a subsidiary.
 - British new-car sales rose 9.1 percent in April, compared with the like month in 1991, to 138,106 vehicles, the first rise since October 1989.
 - Rolls-Royce PLC, the British airplane-engine maker, said it won a \$100 million maintenance contract from USAIR Group Inc.
 - John De Lorenis is subject to arrest on a warrant granted to fraud investigators in Northern Ireland in connection with the failure of his car company 10 years ago, but he cannot be extradited from New York.
- (Reuters, AP, Bloomberg, AFP)

Must reading for penetrating the world's largest single market.

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An Uneven Ride in Europe Automakers' Success Rates Run the Gamut

By Joel Havemann

Los Angeles Times Service

BRUSSELS — Automakers are tacking the European car market with mixed success.

Volkswagen of Germany is rolling ahead on all cylinders; Fiat of Italy is losing market share both at home and elsewhere in Europe. General Motors remains profitable in Europe even though its U.S. parent has been on the ropes; Ford, the other major U.S. player in Europe, is in the red here. BMW's new "3" series has proved very successful; Mercedes, the other major German luxury carmaker, is losing ground.

Despite a painful combination of recession and inflation, Germans are continuing to buy cars in record numbers, boosting the fortunes of most manufacturers that rely heavily on that huge market.

In Britain, by contrast, the recession has kept car sales anemic. That helps account for the problems of Ford Motor Co.'s European division, which has long dominated the British market. And Britain's native car industry has all but disappeared.

Looming over the market is the prospect of no-holds-barred competition with the Japanese after 1999, when current restraints on sales of Japanese cars in the European Community expire.

Unlike Americans, Western Europeans are buying more cars. Sales rose from 13.3 million in 1990 to 13.5 million last year, according to Automotive Industry Data Ltd. of Britain.

The trend is continuing. Sales edged up to 3.7 million for the first three months of 1992 from 3.66 million a year earlier, according to Analyse Auto, a Belgian consulting company.

The big growth is in Spain, up 34 percent in the first three months of this year, and Portugal, up 26 percent. Britain's market is the weakest; sales fell 11 percent in the first three months of 1992, after a 21 percent plunge last year.

The biggest-selling brand name in Europe is still Ford, which captured 11.7 percent of the market last year. General Motors Corp. is a close second, with a combined 11.5 percent for its Opel, in continental Europe, and Vauxhall, in Britain.

The company with the biggest slice of the market is Volkswagen AG, which owns Audi of Germany and SEAT of Spain. Second is Fiat SpA,

which owns virtually all of Italy's car industry, including Lancia, Alfa Romeo and Ferrari.

General Motors posted a loss of \$8.7 billion on its car sales in North America last year. Meanwhile, it earned \$1.8 billion in Europe.

In Europe, GM has adopted "lean production," a catchall term that means producing more cars with fewer workers. GM gives some teams of production workers responsibility for identifying inefficiencies and overcoming them.

Ford has also slashed production and administrative workers in Europe, says Krish Bhaskar, director of Britain's Motor Industry Research Unit. But Ford has failed to make manufacturing procedures more efficient. As a consequence, the official says, its personnel reductions "have cut to the bone."

In Britain, Rover, the country's major surviving carmaker, sold 229,000 cars last year, down 54,000 from the year before.

Sales by Jaguar, which is owned by Ford, plummeted to about 6,000 from 11,000. And Rolls-Royce sold only 1,722 cars worldwide last year, down from 3,333 in 1990.

Renault of France, the only government-owned company among Europe's six largest carmakers, more than doubled its profit last year, to \$730 million. Renault's market share in Europe inched above 10 percent last year and reached nearly 11 percent in March.

The German car market is the biggest in Europe, accounting for three new car sales in 10.

Sales soared to 4.2 million last year, up nearly 1 million from the year before, according to the Motor Industry Research Unit. And to analysts' surprise, sales have remained strong despite Germany's post-unification economic doldrums.

The biggest immediate beneficiary has been Volkswagen, which commands 27 percent of the German market. Its new Golf III hatchback, with a base price of about \$11,500, is a sellout.

Looking ahead, Fiat, Volkswagen and GM are dashing into the new Eastern European market with huge investments, hoping that potential profits will outweigh short-term expenses. The French car manufacturer Renault and Peugeot, both strongly profitable, are holding back.

3 Ventures Tap Into Eastern Europe

Los Angeles Times Service

BRUSSELS — Analysts here generally agree that three major ventures in the works by European carmakers will pay handsome dividends.

Fiat in Poland. The Italian carmaker is buying a 51 percent share of FSM, one of Poland's two major car plants, which has long been licensed to build small, outmoded Fiat models. Fiat plans to modernize the plant and double its capacity to 460,000 cars a year by 1998.

Volkswagen in Czechoslovakia. VW won a heated competition last year to assume a 70 percent interest in the Czech automaker Skoda, which made cars of the only Communist-produced cars that met Western European standards.

General Motors in Hungary. GM began producing its Opel Astra in March at a new plant in Szeged. GM's president at the time, Robert J. Eaton, said Hungary was chosen for GM's first venture in Eastern Europe because of its progressiveness in establishing a market economy.

MERGER: Carmakers in Talks Ericsson Reports Loss for Quarter

(Continued from first finance page)

auto operations and another linking their truck divisions.

A holding company, headed by Volvo Chairman Pehr Gyllenhammar and called Renault Volvo AB, would then be set up in which the French state would have a 51 percent stake, Volvo 40 percent, and the rest would be publicly traded.

Neither Mr. Joranson of Volvo nor Ms. Rare of Renault would comment on these reports, or on the timing of a possible merger.

"All I can tell you is that with closer cooperation, there is much more money to be saved and other benefits to be derived," the Volvo spokesman said.

Talk of the merger comes just days after Volvo, under pressure from the Swedish government, abandoned a plan to merge with Procordia AB, a food and drug company that is partly state-owned.

Under terms of that agreement, Volvo will increase its stake in Procordia to 5 percent from 42.7 percent, while the state's holding will fall to 40.4 percent from 42.7 percent.

One possibility under discussion, according to reports by the leading French newspaper Le Monde and by Swedish television, is for the creation of a car company that would combine the two concerns'

Reuters

STOCKHOLM — L.M. Ericsson AB, the Swedish telecommunications giant, said Thursday it posted a loss for the first quarter because of the recession in key markets and soaring development costs.

Ericsson said its pretax loss totaled 363 million kronor (\$60 million), compared with a 1.01 billion kronor profit in the year-earlier period. Sales fell 11 percent, to 9.46 billion kronor.

Ericsson said the first half of 1992 would be very weak, but it predicted a profit for the year as a whole. The company said the 22 percent rise in order bookings for the first quarter was an encouraging sign.

The results were worse than analysts had forecast. Predictions had ranged from a 300 million kronor loss to a 150 million kronor profit. Ericsson shares fell 3 kronor, to 132 kronor, in Stockholm trading.

ASIA / PACIFIC

Executives Downbeat on Hong Kong After '97

By Laurence Zuckerman
International Herald Tribune
HONG KONG — International business executives expect Hong Kong's business environment to quickly decline in the years following the colony's return to China in 1997, according to a survey made public Thursday.

mist with Business International and author of the study, predicted that China would not grant Hong Kong the full autonomy promised in the Basic Law, the colony's post-1997 constitution. Rather, the colony would become a "semi-independent state within China."

infrastructure and service industry as its major link to the commercial world. "The report basically says that Hong Kong is becoming the capital of south China," said William Henderson, Business International's managing director in the colony.

The report basically says that Hong Kong is becoming the capital of south China.

William Henderson, Business International.

Japan Capital Spending Expected to Dwindle

Compiled by Our Staff From Dispatches
TOKYO — Japanese companies expect their first overall decline in capital investment for nine years, the Economic Planning Agency said Thursday, releasing results of a survey for the 1992 fiscal year that showed a 7.3 percent drop.

Investor's Asia

Table with columns: Exchange, Index, Thursday Close, Prev. Close, % Change. Rows include Hong Kong Hang Seng, Singapore Straits Times, Tokyo Nikkei 225, etc.

Charges of Bias in Bridge Contract Rejected

HONG KONG — Hong Kong, rejecting allegations that it was favoring British bidders, awarded on Thursday a huge suspension-bridge contract to a British-Japanese consortium even though a Korean group made a substantially lower bid.

K.Y. Yeung, "The Anglo-Japanese consortium has submitted the lowest acceptable tender and is clear winner on the basis of price, reliability for completion on time, and conformity with our specifications."

feud between Hyundai and the Seoul government may have undermined its bid. Already poor relations between the two have soured since Hyundai's founder, Chung Yu Jung, a fierce government critic, launched his own political party.

Tokyo Stocks Rebound

TOKYO — Stock prices climbed Thursday, bringing the rise in the last two days to a robust 6 percent. But analysts were divided over whether this meant the market, which had been falling for weeks, was on the road to recovery.

Support From Communists Grows for China Reforms

HONG KONG — Chen Yuan, a Chinese central bank official and son of a leading hard-liner in the Communist Party, spoke Thursday in favor of market-related reforms to China's economy, adding to signs of support for the country's latest embrace of capitalism.

People's Bank of China, smudged the line between socialism and capitalism, saying at a lunch given by the Hong Kong branch of the American Chamber of Commerce that market reforms were "necessary for economic stability in socialism."

al television expressing guarded support for Deng Xiaoping's reform drive. The endorsements of Mr. Deng's reforms drive from the Times indicates the senior leader has broad support among China's rulers.

Geneticists Create a New Sugarcane

SYDNEY — The world's first genetically engineered sugarcane has been created, Australian scientists said Thursday, allowing development of a new range of varieties resistant to disease and pests.

Large table titled 'INTERNATIONAL FUNDS' with columns for fund names, share prices, and other financial data. Includes sub-sections like 'Other Funds' and 'ASIA / PACIFIC'.

OBSERVER

Facing the Barbarians

By Russell Baker

NEW YORK — "In your face" is on all lips. It fulfills the present American urge to talk like a lout. This singularly nasty way of expressing muscular, bust-skull contempt for one's fellow man and companionate woman is now so popular that it is even being used in an advertising campaign.

And yet you tell me not to despair for civilization. Not despair? We live in a world where men, women and small, ill-educated issue can say "in your face" without feeling vile, and I should not despair for civilization?

Surely thou kiddlest, though possibly for the kindest of reasons. Perhaps you think it best not to tell me that the barbarians are at the gates, the swine.

There! See the corrupting effect the vogue for muscular, bust-skull, macho rodomontade may be even upon a civilized man: In the old days I never called the barbarians "swine," even when they milled around the gates.

Until this very moment I have always spoken well of barbarians. And why not? I used to be a barbarian myself. At my most barbarian, however, I would never have uttered a phrase as disgusting as "in your face." What is the world coming to, etc., etc., etc.

I can't tell you what the world is coming to, but I can tell you the world is coming to it, whatever it is: seamlessly, that's how, at least if the world is coming to it in the New York Times. And if the world isn't coming to it in the Times it wouldn't bother coming to it at all, would it?

The world coming to etcetera without recording it in the paper of record? Not a chance.

Note that I resist the opportunity to say, "No way, José," not because it leaves a nasty bust-skull taste on the tongue, but because in the ideal state to be established when I am king, anyone over the age of 11 caught saying, "No way, José," will be sentenced to six weeks of summer school in remedial adult conversation.

But back to the severe infestation of seamlessness which cropped up in the New York Times shortly after "in your face" broke out of its cage. Unfortunately, I did not start

keeping data on this outbreak until constant recurrence of seamlessness sounded an alarm in my face — I mean, in my skull.

Since then the days of The Times have flowed seamlessly by in a seamless series of seamlessness. In a theater review, for instance, the Times refers to a character "whose monstrosity should flow seamlessly into the present."

This from a book review: "Seamlessly, the author works in several poems." And from a full-page ad announcing the 90th birthday of the Lubavitcher Rebbe, Rabbi Menachem M. Schneerson: "His entire existence is a seamless act of concern and devotion to mankind."

Why is The Times so preoccupied with trifling matters like seams when the gates are beset by a barbarian species capable of saying "in your face"?

I bet you are tempted to say it's because The Times just doesn't get it. Why might you be tempted to say that? Because practically everybody these days is having a wonderful time saying "just doesn't get it," or alternately "just don't get it."

Addressed to the second person singular, as in "You just don't get it," just not getting it has become virtually overnight the United States' favorite argument clincher. Feminists use it not just to settle anti-feminist hash, but to shut down possibility of rebuttal. For example:

Anti-feminist hash slinger: "I don't see why you want bosses hauled in by the FBI for flirting with the help."

Feminist hash-settler: "You just don't get it." Sometimes: "You still don't get it." Often fortified with a terminal "do you?" as in, "You just don't get it, do you?"

The closing "do you?" extends the basic meaning of "just don't get it" from "You don't see it my way," with the suggestion that, furthermore, you are too dim ever to "see it my way," hence not worth further educative effort by the reprimander.

This is the civilized way to rebuke dissidents. If only the "in your face" crowd would use it, the swine.

New York Times Service

Recalling Dietrich: 'Better in Real Life'

By Sheridan Morley

LONDON — Let's freeze the frame while we still can, if only for this weekend. Television screens the world over: these last 24 hours, have been flickering with the familiar, grainy images: Dietrich as Lola from "The Blue Angel"; Dietrich as naughty Lola, the wisest girl on earth; Dietrich who went to see what the boys in the back room would have, and told them she was having the same; Dietrich who said of Orson Welles in "Touch of Evil": "He was some kind of a man: what does it matter what you say about people?"; Dietrich for whom "it took more than one man to change my name to Shanghai Lily"; Dietrich falling in love again, "men cluster to me, like moths around a flame, and if their wings burn, I know I'm not to blame."

This may well be our last chance: within the next six months, the biographies will hit the fan. Certainly three, maybe half a dozen of them, from her daughter Maria Riva's to Donald Spoto's, this last one promising, if that is quite the term, detailed documentation of Marlene's affairs with (among others) U.S. Army Generals Patton and Gavin, Douglas Fairbanks Jr., Josef von Sternberg, Maurice Chevalier, Gary Cooper, Yul Brynner and no less than three of Elizabeth Taylor's husbands (Todd, Fisher and Wilding), as well as the German socialist Claire Waldoff and Mercedes de Acosta, also reckoned to be a gay lover of Greta Garbo.

So, this weekend may be the last we get: the last before the nostalgia industry, which poured forth this week's tasteful obit, goes into its customary reverse gear, and gives us "the real Marlene."

Except of course that the "real Marlene" isn't there anymore, and maybe on film she never was. The "real Marlene" that I knew, albeit distantly, over a long period in the 1970s when I was writing a book about her and interviewing her on cabaret tours, never seemed to me to have much to do with the movies anyway.

The Welles aside, her last really good picture had been "Destry Rides Again," in 1939, and that was after all a James Stewart western, already a whole world away from the German mood pictures which had first brought her to Hollywood with her "Svengali Joe" von Sternberg a few years earlier.

By now there was a war coming. Hollywood had turned back in on its American self, and Dietrich was down to 139th on the list of its box-office attractions, alongside Gaspard as just another European immigrant nobody wanted to make films with anymore.

So what's a girl to do? She reinvented herself, no longer the "Marlene" of the Berlin movies but "Dietrich," a sturdier and staggier figure, discovering on countless wartime troop-concert tours the joys of a live audience coming to the cabaret. From then onward, right through the '50s and '60s and well into the '70s (when her increasing fragility led to a harsh theatrical parody known as "Falling Offstage Again"), she found her true home in theaters all over the world.

The Dietrich of the postwar years was therefore

a creature of the footlights, arguably the greatest feat of stage engineering since the invention of the trapdoor; and despite the renewed existence on video of all her classic movies, it is as a stage star that I think of her first. Indeed it is arguable that her very stagginess is what kept her from being, alongside Garbo or Crawford or Davis, among Hollywood's best beloved.

In the theater she remained an infinitely tougher and loonier figure, who had learnt the greatest of all limelight lessons: waste nothing. Money, time and herself had all been exquisitely preserved against need, and she passed time and again the greatest of all stardom tests, the ability not just to do something but to stand there, an old and defiant German lady with a slight limp, defying her audience not to admire the perpetual, dazzling and exclusive love affair she would conduct with a single spotlight on the overhead grid.

"That damn Kraut," said Hemingway (another lover, whose letters to her will be another biographical treasure), "is the best that ever came into the ring." She was also, it seemed to me, a musical Mother Courage: she belonged, with Lenya and Coward and Garland and Piaf, to that exclusive and now-dormant band of singers who demanded to be treated theatrically rather than purely musically. Like Lenya she looked as though she had been trained in a school of classical Teutonic dramatics: like Coward she put the premium on crisp, acid diction; like Garland she could suddenly find a catch in her throat which was nothing short of heart-breaking; and like Piaf she knew just how slowly a stage could be traversed to an audience's cheers.

I'd rather not recall the last of Marlene, the cantakerous old recluse in the Paris apartment overlooking through a closed door with Maximilian Schell, desperate to capture the last of her on documentary film. Instead I'd remember the ageless Peter Pan, arriving to spend a weekend with Noel Coward, clutching a long-playing record on which she had preserved no music nor song, just her applause in a variety of countries during a recent tour.

Or better yet, the day she arrived for the last time to stay with the husband she never divorced. Rudolf Seiber was, among other callings in life, a chicken-farmer whom she had helped to escape with their daughter from Hitler's Germany. As the marriage declined, she set him up in a chicken farm in the California hills where he lived happily for another 40 years, visited annually by Marlene. On the occasion of this last visit, late in their and the century's '70s, there had been some terrible floods, and the earth on his farm had slipped down the hillside, smothering several hundred chickens. Distraught, he told the story to Marlene, expecting a little sympathy. "I have always said," was her only observation, "that you should have kept ducks."

"Look me over closely, tell me what you see?" what I see is a lot of sensational biographies, but no more Dietrich. "Most people," she once told me, "who make movies are in real life a bitter disappointment. I on the other hand am so much better in real life."



Marlene Dietrich: Reinventing herself for the footlights.

PEOPLE

Author Makes a Deal: 3 Novels, \$20 Million

Barbara Taylor Bradford has signed a contract with HarperCollins to write three novels for more than \$20 million, making her one of the highest paid authors in the world. The deal gives HarperCollins worldwide English-language rights for the hard-cover, paperback and audio editions of her books. HarperCollins in England has published all of her seven novels for markets outside North America. Bradford keeps all foreign-language and film rights.

The Philadelphia Orchestra, which under Leopold Stokowski recorded the soundtrack for "Fantasia," Walt Disney's 1959 classic marriage of symphonic music and animated film, is suing the Walt Disney Co. and Buena Vista Home Video for half the profits from the videotape and laser-disc versions of the film. The orchestra calculated that by the end of January, the home-video versions of the film had sold 14,169,148 units, producing \$120 million in profits, of which the orchestra is seeking about \$50 million. Orchestra officials said they had always received royalties for audio recordings and that when the soundtrack was reissued last year on compact disc, it sold about 100,000 copies.

Justice Clarence Thomas canceled his first public appearance since joining the Supreme Court because a woman's group planned to protest. Thomas, whose confirmation to the high court was nearly derailed by Anita Hill's sexual harassment charges, was to have judged the finals of the moot court competition at Seton Hall Law School in Newark, New Jersey, on Monday. Professor John Gibson, who had invited Thomas before his nomination to the court, said in an angry letter to the Women's Law Fund that Thomas changed his mind after learning the student group planned a candlelight vigil.

Fredrick's of Hollywood is offering a \$1,000 reward, no questions asked, for the return of Madonna's bustier, stolen from Fredrick's Hollywood Lingerie Museum during the Los Angeles riots last week. The pop star wore the sequin-trimmed, purple undergarment with gold tassels in the music video "Open Your Heart."

TODAY'S REAL ESTATE MARKETPLACE. Appears on Page 10. SATellite TV ANNOUNCEMENTS. SYNERGY SATELLITE. MURKIN FOUND. ALCOHOLIC ANONYMOUS.

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Advertisement for 'President A Skept' and 'Residents in Don't Expect'.

SPORTS BASEBALL

Braves Drop Ball, and Game, in the 16th

The Associated Press
For 34 innings against the Atlanta Braves, the Pittsburgh Pirates stared at the scoreboard and saw zeroes. No runs, no hits, no errors. Until they finally found the Braves' weakness: The fly ball.

Shut out in their own park by the Braves since Game 1 of the NL playoffs last October, the Pirates didn't score until the eighth — an inning after Steve Avery extended his personal scoreless streak against Pittsburgh to 22 1/3 innings before being lifted.

rolled to the wall. By the time Grant finally caught up to it, Slaughter was on third with a triple. With the Braves' outfield pulled in, Jose Lind lited the ball over center fielder Olin Nixon to finally end the second Pittsburgh marathon of the week.

Explos 4, Padres 3: John Vander-Wall drove in two runs with a single and a double in Montreal as his team won its second straight night game following 12 consecutive night losses.

Jazz Discover Right Note to Mute Sonics

The Associated Press
SALT LAKE CITY — The Utah Jazz won't remember two things about the Seattle SuperSonics' two victories at the Delta Center this season:

NBA PLAYOFFS

mean anything after the first game. "This is the playoffs. This is when it's important," Karl Malone said after scoring 30 points in a 106-100 victory Wednesday night.



Karl Malone was upbeat as he got two of his 30 points easily.

SIDELINES

French Final Rescheduled, Toll at 11

PARIS (AP) — The final of the French Cup will be played Tuesday in the Parc des Princes in Paris as a benefit for victims of the collapsed grandstand in Berlin, the national soccer federation announced Thursday.

Jackson and Murray Opt for NBA

COLUMBUS, Ohio (AP) — Jim Jackson, the 6-foot, 6-inch (1.96-meter) American, has announced that he will pass up his senior year at Ohio State and make himself available for next month's National Basketball Association draft.

For the Record

Jennifer Capriati, the third seed, courted disaster once too often and lost Thursday to Amanda Coetzer of South Africa, 6-1, 3-6, 6-4, in the third round of the Italian Open.

Switzerland Beats Germany to Join Sweden in Semis

PRAGUE — Switzerland struck twice within 1:20 early in the third period Thursday and beat Germany, 3-1, in the quarterfinals of the World Hockey Championship.

Detroit Faces Unexpected Elimination

The Associated Press
After finishing far ahead of the Chicago Blackhawks during the National Hockey League's regular season, the Detroit Red Wings have fallen far behind them in the Stanley Cup playoffs.

Tyson Said to Admit Making Threat

The Associated Press
PLAINFIELD, Indiana — Former heavyweight champion Mike Tyson will spend the next week in a segregated prison cell after admitting he threatened a staff member at the Indiana Youth Center.

Stewart Pulled in 8th, A Winner but Unhappy

The Associated Press
Manager Tony La Russa didn't really care that Dave Stewart wanted to finish the game.

Stanley Cup Playoffs

2-0 lead at 4:27 of the second period. Vancouver, which won the division with 96 points, 14 more than the third-place Oilers, finally broke through against Bill Ranford early in the third period.

SCOREBOARD

BASEBALL

Table with columns for team, W, L, Pct., and GB. Lists major league standings for American League and National League.

Major League Standings

Table with columns for team, W, L, Pct., and GB. Lists major league leaders for American League and National League.

Major League Leaders

Table with columns for player, team, and stats. Lists major league leaders for American League and National League.

Transactions

Table with columns for player, team, and transaction type. Lists player movements between teams.

Transactions

Table with columns for player, team, and transaction type. Lists player movements between teams.

Transactions

Table with columns for player, team, and transaction type. Lists player movements between teams.

HOCKEY

Table with columns for team, W, L, Pct., and GB. Lists hockey standings and results.

Transactions

Table with columns for player, team, and transaction type. Lists player movements between teams.

Large advertisement for AT&T USADirect Service, featuring the slogan 'OUT OF THE LOOP?' and contact information for international dialing.

Table of international dialing codes for various countries, including Australia, Canada, Europe, and others.

SPORTS FOOTBALL

Board of World League Meets Today to Size Up Tomorrow

By Timothy W. Smith
New York Times Service

NEW YORK — The board of the World League will meet here Friday to assess the spring football league's second season and its future.

The board, which includes seven owners of National Football League teams, will present its assessment at an NFL owners' meeting May 19 in an effort to keep the league alive.

The board will not only have to put a positive outlook on the WFL, but will also have to press the NFL for considerably more money than the \$50 million already pledged to keep it afloat through the 1993 season.

The WFL, which already owns five franchises outright and has a share of three others, may consider taking total ownership of all 10 teams.

While the quality of play has risen, attendance and television ratings have been dismal. And the league, which reportedly lost \$7 million in its first season, continues to founder.

It is not clear how NFL owners will respond to the assessment of the World League or the request for more money. If the NFL is asked to spend more to keep the league afloat, 21 of 28 owners will have to vote yes.

"I haven't talked to the other owners," said Dan Rooney, president of the Pittsburgh Steelers and chairman of the WFL. "I don't know what their reaction will be. I have talked to the other board members and I know there is concern as to what the reaction will be."

The World League was formed in 1989 by a unanimous vote of NFL owners to expand U.S. football to Europe and offer a developmental league for NFL prospects.

The three franchises in Europe — Frankfurt, Barcelona and London — are owned by the World League.

The NFL, which owns 40 percent of the New York/New Jersey Knights, will consider an offer to buy out the remaining 60 percent from Robert Sillerman, who bought that share for \$11 million.

Neil Austrian, director of the NFL's international division — of which the World League is a part

— said that ownership of all the franchises would allow the league to maximize any profits it now must share with independent owners.

By moving in that direction it could calm some NFL owners who are nervous about spending money on a league that appears to be a short-term financial black hole.

"If you want to spend enough, you can make it work," said one NFL owner. "But it will take 5 to 10 years for it to be a successful television venture in Europe. I doubt seriously whether it will ever be successful in the United States."

Austrian, who insists the World League is a viable concept, said the league can't be presented to the NFL as an expense but as an investment.

"When you put it in terms of an investment you don't look at a one-time payment that is lost," Austrian said.

Austrian said better television ratings might have made it an easier sale to the NFL owners. In the United States, ABC has a 1.7 rating over all in its games this season, while USA Network has a 1.1 rating.

One rating point for networks represents 931,000 television households, and for cable it represents 367,000 households.

Both networks say that they back the World League, but are disappointed in the ratings. They have asked the league to expand by two teams next year, preferably in major television markets, to increase the ratings.

ABC Sports appears satisfied with its deal, perhaps because the World League slashed its rights fees from \$12 million to \$3 million this year. USA Network isn't as happy, after the league cut its rights fees from \$14 million to only \$10 million.

Joe Bailey, its chief executive officer, lamented that the World League has never been given a full season to succeed.

"This league deserves a full year of working in a 100 percent positive framework," Bailey said. "It needs to have a full opportunity to show what it can do. It needs a full year of development without any questioning on whether it will go forward or not. It has never operated in that atmosphere."



Indy Brings Down Defending Champ

Rick Mears, the defending champion of the Indianapolis 500, crashed during Wednesday's practice for the May 24 race. He had just completed a lap at 213 mph (about 343 kph) in the car he drove to his fourth victory last year when, according to a Team Penske spokesman, the car ran over water gushing from a broken pipe, spun nearly 180 degrees and slammed into the concrete wall in the second turn. Track officials said Mears fractured his left foot. Japanese rookie Kenji Momota, 29, crashed with 15 minutes left in the session when he lost control in the fourth turn, spun and slammed into the wall. Momota bruised his right leg and was kept overnight at Methodist for further observation.

Bob Cunningham/The Associated Press

NFL Offspring's European Chief Says Survival Is a Matter of Time

International Herald Tribune

The World League's level of play has improved, television ratings are still dismal and attendance is up and down. All in all, its value cannot be judged on less than two years of play, according to its vice president of European operations, Richard Regan.

"A league like this needs more time," Regan said Thursday from his office in London. "The world has seen a lot of football leagues come and go — you had the World Football League, the U.S. Football League. In some of the markets that experienced those other leagues — the San Antonio, Birmingham, Orlando markets — you see a lot of cynicism. They say, 'We had those leagues before and they left, and now your league's come along and you almost left.'"

The World League, he said, hopes to heighten the quality of play next season by dispersing NFL backup players among its teams. Regan blamed decreased European attendance on scheduling conflicts in London and Barcelona, which the league will try to avoid next season.

He predicted that the World League board meeting in New York won't be as dramatic as last year's, when the NFL considered folding its offspring.

"An important status report, that's what it is," Regan said of Friday's session. "We're developing a lot of football talent for the NFL, and to the extent that the NFL wants to globalize football, this is the best way of doing it."

Lack of T-Shirt Bares NFL in France

By Tara Patel
Special to the Herald Tribune

PARIS — Bernard Thomas learned the hard way about dealing with the heavyweights of American football.

Thomas, technical consultant to the French Federation of American Football, had arranged for five players from the National Football League to hold a week of clinics last month in Nice and Paris. They would have been the first such clinics in France, where the game's popularity has increased dramatically in the past two years.

Then, because of sponsorship rights involving the NFL logo, a lack of funds and parsimony of the part of the league, the clinics were abruptly called off.

"We already had 150 kids signed up," Thomas said. "Everybody is extremely disappointed."

Bill McConnell, an administrative assistant at the NFL's headquarters in New York, stressed by telephone that the league is very interested in expanding its image around the world. But, he also stressed, it is still trying to work out its strategy for global promotions. And this includes negotiations

to establish just how much money the NFL will spend "at the grassroots level."

The trip to France was, in fact, the brainchild of the NFL's first and only French player, Richard Tardits, a linebacker with the New England Patriots.

Last September, he began planning a trip to Russia during which 15 NFL players would hold two four-day training camps, one in Moscow and the other in St. Petersburg. That trip was called off in January because of the political instability in Russia.

Shortly afterward, Tardits said from his home in Boston, he contacted Thomas and proposed clinics in France, where football isn't a purely amateur sport.

The French federation, government-funded with an annual budget of about \$500,000, could afford to pay for only five players to make the trip. In addition to Tardits, they were to include teammates Garin Veris and Hugh Millen, plus Joey Browner of the Minnesota Vikings and Tim Jordan of the Phoenix Cardinals.

Tardits is a sort of cult hero in France. Since he began playing in the NFL two seasons ago, the number of football players

in this country has swelled from 2,800 players on 51 teams to about 6,000 on 88 teams.

"The game is getting more and more popular in France and I have been trying to develop contacts with the NFL for a long time," Thomas said in his Paris office.

Football's rise in popularity, he said, is also attributable to the growing craze among young people in France for all things American, and to the fact that more games are being telecast by French stations. The Super Bowl is shown live, some college football games are telecast and French games are carried on local television stations.

The seven-year-old French federation was planning to spend \$12,000 to play host to the NFL players. They were to pay their own airfare, the French players were to pay the equivalent of \$36 each to attend the clinics.

The NFL offered its "full support" but no money, McConnell said, adding that "in the past we have paid for these types of clinics but usually only when we've initiated them at the onset."

The NFL tried to negotiate a promotional tie-in with an airline to get tickets for the flight to Paris, he said. But, Tardits said, that

fell through and not enough seats could be found at the last minute on another airline offering a cheap rate for all the players and their wives or companions. Some of the five NFL players refused to go on the trip alone.

But what finally killed the trip was the tangle of licensing guidelines that must be followed on using the NFL logo.

Tardits said he found sponsors for the clinics, but the NFL refused to let them use its logo on, among other things, the souvenir T-shirts the French federation wanted to give its players attending the clinics.

James Thornton of NFL Properties U.K. Ltd. in London said he couldn't get confirmation on what sponsors were going to contribute if they were allowed to use the logo. "The grassroots element is nice," he said, "but we must get something out of it too."

Said Tardits: "Business is business for the NFL. I've learned what Americans mean when they say there is no such thing as a free lunch."

Meanwhile, in Paris, Thomas said he will begin soliciting NFL backing for a clinic that would be held next spring.

"It's ridiculous to think that part of the problem was T-shirts, but at least I now know what I'm dealing with," he said.

BOOKS

THE OLD BOYS: The American Elite and the Origins of the CIA

By Burton Hersch. Illustrated. 536 pages. \$29.95. Scribner's, 866 Third Avenue, New York, New York 10022.

Reviewed by James Carroll

THE trouble with men known as "old boys," among them those who created the Central Intelligence Agency, is that for all their sophistication, education, worldly privilege and connections, they remained such boys. The trouble with what they called "The Great Game" — espionage, intelligence, the secret war — is that to them, despite its deadlines to others, that is what it always was.

Games, after all, have no consequences, and the men whose lives that Burton Hersch traces so vividly in this book — especially William J. Donovan, Allen Dulles, Frank Gardiner Wisner and William C. Bullitt — behaved exactly as if their wildest impulse was justified not by what it would lead to but by the fact that it was such splendid men — themselves — having it. What had they been trained for in their posh schools, prepared for in their Wall Street offices and celebrated for in their clubs if not the sport of rearranging the world?

After World War II, a contingent of former OSS men, spirited diplomats and corporate lawyers went beyond the offi-

cial doctrine of "containment" and devised a strategy for "rolling back" the Soviet domination of Eastern Europe. Although it involved relatively harmless elements like radio broadcasts and clandestine drops behind the Iron Curtain and an embrace of foreign reactionaries in the West, that strategy consisted essentially in actively encouraging in-place resistors to revolt against the Soviet occupiers. There was money, material and, always, promises that Uncle Sam would join in any uprising they launched.

Nothing embodies the Cold War-era CIA's inhumanity and adolescent game-playing — better than the abandonment of all of the freedom fighters whom it coaxed into streets and onto beaches, from Berlin to Budapest to Cuba. CIA coaches always stayed on the sidelines once their games turned "wet." The uprisings all failed. "Rollback" failed. And meanwhile, in its primary mission, that of providing intelligence, the CIA was failing miserably too. (American presidents had no or inadequate warnings of the Russian A-Bomb in '49, the North Korean invasion in '50, Stalin's death in '53, the Budapest uprising in '56, the British invasion of Suez in '56, Sputnik in '57, the capacity of Soviet SAMs to shoot down the U-2 in '60.)

The "successes" of the CIA in the period under study in this book were even more disastrous. The CIA overthrow of Mossadegh in Iran in 1953 and Arbenz in Guatemala in 1954, and its installation of Ngo Dinh Diem as prime

minister of South Vietnam in 1954, all touted at the time as triumphs, all led directly to generation-spanning American nightmares and to heinous suffering inflicted on millions in Central America, Southeast Asia and the Middle East.

It is widely accepted in the United States that we need an active intelligence service, but a review of the CIA's performance makes it hard to believe that the world — or America's place in it — would be worse off if the CIA had simply never come into existence.

Burton Hersch has written an important book about all of this. His account of the Dulles brothers' activities as lawyers for international corporations in the '30s, especially German ones, shows a fatal early willingness to do business with fascists. Late in the war and immediately afterward, Allen Dulles is portrayed as rather too eager to spare high-ranking Nazis on the chance they could be useful against the Soviets.

According to Hersch's largely convincing saga, there was little hesitation to embrace a morality in which the ends justified the means. Since the Church Committee's investigations nearly two decades ago, we know that the means, including assassination, were often heinous, but it is a shock to realize, as Hersch helps us to, how rarely the ends were achieved in any case. If the ends don't justify the means, nothing does.

James Carroll's most recent book is "Memorial Bridge." He wrote this for the Los Angeles Times.

BRIDGE

By Alan Truscott

ON the diagrammed deal South brought home a difficult slam contract. North's four-diamond re-bid was a splinter, showing diamond shortage and interest in a spade slam. South's cue-bid of four hearts provoked North into a modern form of Blackwood, and the five heart response showed two key-cards but no spade queen.

West led a diamond against South's contract of six spades, and dummy's ace won. South guessed to finesse the heart jack, and when this won he ruffed a diamond. He then led to the heart ace, cashed his remaining diamond and cashed the spade ace. The missing trumps were drawn by overtaking dummy's queen with a king and cashing the jack.

A heart was led to the king in the hope that the queen would fall. When it did not, South ruffed dummy's last heart, leaving himself with 10-9-7 of clubs. The seven to the queen in dummy produced the 12th trick, but he was likely to be safe even if the finesse lost. If East had no more diamonds he would be forced to lead a club to South's advantage.

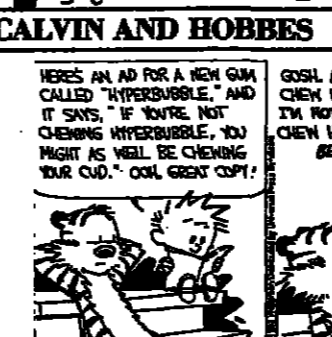
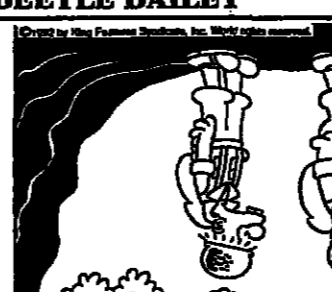
NORTH (D)			
♠	AQ74		
♥	K1083		
♦	A		
♣	AQ52		
WEST			
♠	109		
♥	42		
♦	K10873		
♣	K863		
EAST			
♠	632		
♥	Q985		
♦	Q942		
♣	J4		
SOUTH			
♠	KJ85		
♥	AJ7		
♦	J65		
♣	1097		

Neither side was vulnerable. The bidding:

NORTH	PASS	1♠	PASS
1♦	PASS	4♥	PASS
4NT	PASS	5♥	PASS
6♠	PASS	PASS	PASS

West led the diamond seven.

PEANUTS



DOONESBURY



JUMBLE

THAT SCRAMBLED WORD GAME

Unscramble these four jumbles to form one letter to each square, to form four ordinary words.

KUFLE

POKAK

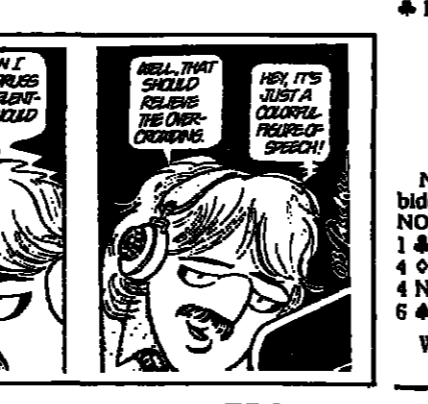
ELGANT

STUCCA

Print answers here: _____

Answers (shown):

Yesterday's Jumble: FAULT MOUNT LAYMAN CHESE. Answer: What the greatest word specialist uses ON THE TAP.



BEETLE BAILEY

